

Report to: Clackmannanshire Council

Date of Meeting: 31st August 2017

Subject: Stirling & Clackmannanshire City Region Deal

Report by: Executive Director

1.0 Purpose

- 1.1. In Autumn 2016, Clackmannanshire Council was invited by the Scottish and UK Governments to become part of the Stirling City Region Deal negotiations. In September 2016, the Leaders of Stirling and Clackmannanshire Councils made a joint commitment to supporting a City Region Deal for the region. This report describes the background to the Stirling and Clackmannanshire City Region Deal arrangements as well as the progress made in developing our bid.

2.0 Recommendations

- 2.1. It is recommended that the Council:
 1. notes the progress being made in developing a City Region Deal bid for Stirling and Clackmannanshire, and
 2. supports the local priorities and the package of strategic projects outlined in section 3.15, many of which have already been approved by the Council in the adopted Local Development Plan.

3.0 Considerations

- 3.1. A City Region Deal provides a mechanism to bring additional funding to support economic growth. It offers the potential for new collaborative regional partnerships focused on long term strategic approaches to improving regional economies. It should deliver positive outcomes in line with Scottish and UK Government policy.
- 3.2. In developing City Region Deals, Local Authorities are expected to operate strategically at the regional level and to play their part in delivering the priorities underpinning Scotland's Economic Strategy and the UK Industrial Strategy. Each Deal should reflect locally developed priorities and opportunities with each element contributing to a wider regional vision and strategy. An approved City Region Deal bid provides additional funding to

improve the local economy over a 10-20 year period. It is an opportunity to achieve transformational change.

- 3.3. To date deals in Scotland have been agreed with Glasgow & Clyde Valley, Aberdeen, Inverness & Highland and Edinburgh. Alongside formal City Region Deal arrangements other parts of Scotland are taking forward related initiatives. The three Ayrshire Local Authorities are negotiating on the basis of an Ayrshire Growth Deal and Falkirk is looking to build on their TIF (Tax Incremental Financing) initiative with parallel discussions focusing on a similar approach to Ayrshire.
- 3.4. The Scottish Government has set out core principles underpinning City Region Deal discussions:
 - Any deal must fit within the overall framework of Scotland's Economic Strategy - making a clear and measurable significant long-term contribution to both prosperity and fairness
 - Any deal must operate at a functional economic geography and be underpinned by robust governance at the regional level that includes key stakeholders (eg the wider public sector, business and industry).
 - The starting point for discussion should be a regional strategic vision for economic development
 - Any deal would not diminish the requirement for individual projects to be appraised using established appraisal tools, including Green Book, Scottish Transport Appraisal Guidance Assessment, Environmental Impact Assessment, as appropriate
 - Discussions about a possible City Region Deal do not constitute a commitment to agree a deal
- 3.5. Three discrete stages underpin the City Region Deal process:
 1. Budget statement announcement confirming the principle of a Deal (made in Autumn 2016)
 2. Heads of Terms agreed with the Scottish and UK Governments (covering overall objectives, timescales, themes and projects). Target date for this is late 2017
 3. Business cases developed and approved

Economic Baseline

- 3.6. As part of the bidding process it is important to evidence the economic issues and challenges faced by the area. To this end an economic baseline has been produced. This looks at data under the headings of: Population & Area, Housing, Economic Performance, Health, Qualifications & Attainment and Transport.

Key findings include:

- Gross Value Added (GVA¹) data shows Clackmannanshire lagging behind Stirling and Scotland. GVA per employee however shows Clackmannanshire outperforming Stirling and Scotland. This, combined

¹ A measure of the value of goods and services produced.

with some good transport infrastructure, makes this a good place to do business.

- The gap between GVA per capita and GVA per job is exacerbated by the low jobs density of just 0.5 jobs per individual of working age compared to around 0.8 for both Stirling and Scotland.
- Women in Clackmannanshire face economic and social exclusion to a greater degree than those in other parts of Scotland. They are less likely to be employed and those who do work on average earn 27% less than the Scottish average. Women travel shorter distances to find work, possibly as a result of childcare responsibilities or a higher propensity to provide unpaid care than men, this limits their opportunities and is further compounded by the low jobs density in Clackmannanshire. Women make up a larger proportion of those identified as disabled than men; have a poorer life expectancy ranking than men and the highest incidence of pregnancy amongst women under 20 in Scotland.
- An overall population decline relative to Stirling and Scotland and a projected decline in the proportion of working aged residents.
- Like all areas our elderly population is growing. In Clackmannanshire however our working aged population isn't growing as well as it is in other areas meaning we could face particular challenges in delivering social care. Housebuilding in Clackmannanshire has slowed significantly in recent years leading to a relative lack of housing options for families.
- Clackmannanshire residents have lower levels of qualifications than their neighbours in Stirling and our young people do not access higher education to the same degree.

Consultation

- 3.7. Clackmannanshire Council approved the development of a regional bid in December 2016. Stirling Council had been working on their City Region Deal projects well before this date and had produced and submitted business cases to the Scottish Government prior to Clackmannanshire Council's involvement. Due to their relative advancement Stirling also established a City Commission to advise and support the development of a bid.
- 3.8. The Scottish Futures Trust (SFT) has worked with the Council to support the development of the Clackmannanshire elements of a City Region Deal bid. Workshops, facilitated by SFT, were held in November 2016 with Council members and officers and key partners, such as Skills Development Scotland, Clackmannanshire Business and Scottish Enterprise to begin to outline the key economic issues and potential development opportunities.
- 3.9. Theme workshops have also been held bringing together officials from the Council and key agencies. Workshop themes included were: Tourism; Business Parks; Employability, Skills and Social Innovation; Energy and Health and Wellbeing.
- 3.10. More recently a series of workshops took place bringing together the Scottish and UK Governments and Stirling and Clackmannanshire Councils. Each Workshop was themed and provided an opportunity to discuss and explore emerging priorities and projects. The following workshops have taken place:
 - Development of a Regional Vision

- Innovation
- Tourism
- Infrastructure (Digital, Energy, Town Centre)
- Infrastructure (Transport, Housing, Business Parks)

3.11. As part of the development of the bid there has been an emphasis on the following:

- There is an expectation of one clear and consistent Regional bid with Business Cases being developed on that basis
- City Region Deal projects should have impacts at the Scottish and UK levels. This has implications in terms of scale of projects and how they are presented
- City Region Deal is an opportunity to achieve transformational change. This has particular implications for socio-cultural aspects of any bid
- Inclusive Growth principles must underpin any bid

3.12. An approach for further engaging with key local business sectors and communities should be agreed. It is proposed that this engagement should be targeted at key businesses and communities and should be carried out once agreement on strategic project priorities has been agreed.

3.13. Strategy and Customer Services are providing resource support for baseline analysis; communications, web, design and social media and engagement and consultation.

Emerging Clackmannanshire Priorities

3.14. Initial priorities for Clackmannanshire were identified at 2 stakeholder workshops facilitated by the Scottish Futures Trust late in 2016. These have been further informed by the series of stakeholder workshops that took place in the period January to May 2017. Over 80 individuals from a range of organisations have participated in this process.

3.15. This process generated a range of potential projects. Officers have been working to present the projects as a coherent package, superimposed on the established developmental priorities already approved by Council and Government within the local development plan. These are outlined below and covered in more detail in Appendix 2:

- ‘**Investor Confidence**’ will increase the level of private sector investment in the area. We need to do this because of fundamental structural and economic barriers making it difficult to grow the local economy and spreading the benefits of this growth throughout local communities. The principal components are:
 - the removal of constraints to bring forward business park and premises opportunities at key locations;
 - new school provision and support for ground remediation and site servicing at key housing growth areas to unlock housing development;
 - the regeneration of Alloa Town Centre;
 - access to enhanced digital infrastructure and digital skills to create a Smart County and
 - the provision of enabling transport infrastructure.

- ‘**Inclusive Growth**’ will “invest in our people at all stages of life to ensure that we have a well skilled, healthy and resilient population and an innovative, engaged and productive workforce” (paraphrased from Scotland’s Economic strategy, March 2015). It recognises that the economic benefits from economic development initiatives do not always ‘trickle down’ to those most disadvantaged in society and that these people and communities will need targeted support to take advantage of them. The principal components are:
 - The development of an ‘Achievement Campus’ in Sauchie which will act, not only as a school, but as a ‘smart centre’ for family learning and skills development, utilising technology innovatively and creatively.
 - The development and delivery of an innovative learning system that builds on the attainment challenge and tackles the question: How could education across the region feel different in response to the specific issues and needs that are being identified locally and in the context of a rapidly changing job market?
 - Support to families to address poverty and exclusion from learning, employment and training opportunities and increase parenting skills. Key among this will be increasing child care provision in a way that is accessible, economically viable and sustainable.
 - Skills and employability will be key to ensuring we capitalise on the transformative opportunity of the City Region Deal. It will ensure that all people, regardless of age, ability, gender or life chances are equally able to gain meaningful skills and enter and progress to fair work.

- ‘**Sustainable Place**’ supports the broader aims of the City Region Deal through investment in the green sector: green jobs, green infrastructure and green energy, although the benefits apply across the economic and social fields as well as the environmental field. The principal components are:
 - an Alloa Marina Development incorporating a creative community campus will make a contribution to building the health, wellbeing and confidence of the community and will provide a focus for regeneration in the Alloa South and East area,
 - a coastal realignment project creating wildlife habitat and flood defence,
 - a community energy network across the programme area using sustainable energy sources, such as solar, and exploiting the potential for heat generation within the local geology through geothermal energy.

- 3.16. A focus on the geographical areas of Alloa, Sauchie and Forestmill (as set out at Appendix 2) has been identified on the basis of both a need for regeneration and economic investment and where there is practical opportunity to deliver projects. The ‘people’ aspects of the projects such as employability, health & well-being and attainment will also be available to residents who need them across the whole county. In addition the positive economic impacts on these geographies will have wider impacts across the county and the region, for example increased job opportunities.
- 3.17. Across the City Region the ambition is to deliver inclusive growth, increase investor confidence and create a sustainable place for residents, businesses and visitors. A matrix showing the contribution of each programme element to both the projects and the geographies is shown at Appendix 1.

Governance

- 3.18. Scottish Government officials have stated that the City Region Deal will only get to 'Heads of Terms' stage with formal governance between Stirling & Clackmannanshire Councils being in place. Governance arrangements will need to be in line with the Enterprise and Skills review's regional partnerships recommendations, briefly outlined below, which were published at end of June.
- 3.19. Partnerships seeking Scottish Government support for investment will provide clear evidence of all of the following: strong leadership which fosters a culture of genuine trust and deep collaboration, develops a vision for the region, drives action and rallies support; a clear and compelling economic vision; a deep understanding of the regional economy; a plan for the regional partnership derived from this and a measurement framework which allows progress to be tracked; and a commitment to achieve greater benefit for the regional economy by aligning partnership assets and investment.
- 3.20. Scottish Government will expect the prioritisation process to have been informed by an assessment using their recently devised Inclusive Growth Diagnostic assessment process and will give weight to activities which score well in inclusive growth terms.
- 3.21. The partnership will be expected to have carefully considered its legal structure and to demonstrate that this enables clear governance and clarity of roles. Until now most regional partnerships have taken the form of a Joint Committee under the Local Government (Scotland) Act 1973.
- 3.22. In the Edinburgh City Region partners have, for example, committed to developing a new model of regional governance reflecting the regional partnership's work stream of phase 2 of the Enterprise and Skills Review outlined above. It is anticipated that this will include an integral role for the private and third sectors as well as key partners.
- 3.23. A further report on Governance will be prepared and brought to both Clackmannanshire and Stirling Councils to agree the way forward.

Bid Development Process

- 3.24. Both Scottish & UK Governments have advised that they are expecting one coherent regional bid for Stirling and Clackmannanshire. In addition bids submitted have to be done so using the UK Treasury approved model for public sector business cases. The Five Case Business Model or 'Green Book' as it is known is designed to ensure that spending decisions are taken on the basis of highly competent professionally developed spending proposals.
- 3.25. All centrally funded public spending proposals including those subject only to departmental approval are required to use the Treasury approach. The business case in support of a new policy, new strategy, new programme or new project must evidence :

1. That the intervention is supported by a compelling **case for change** – the “strategic case”;
 2. That the intervention represent best **public value** – the “economic case”;
 3. That the proposed Deal is attractive to the market place and is **commercially viable** – the “commercial case”;
 4. That the proposed spend is **affordable** – the “financial case”;
 5. That what is required from all parties is **achievable** – “the management case”.
- 3.26. The most recent session with Scottish and UK Government Officials in developing the bid, took place on the 29th August to review the regional outline programme.

4.0 Sustainability Implications

- 4.1. The City region Deal is likely to have a number of positive impacts on sustainability, particularly in terms of the economy, energy use, landscape and natural habitats. Appropriate assessments will be undertaken as part of business case development.
- 4.2. It is a Council Priority to take forward developments in relation to the use of sustainable energy to alleviate fuel poverty. The deal offers opportunities through its sustainable place project to make a positive impact in both affordable homes and homes built through the Housing Capital Plan.

5.0 Resource Implications

- 5.1. £500k of capital budget was allocated for 2017/18. It is likely that a portion of this will be required to roll forward in line with the timing of the programme development process. Once Heads of Terms are agreed a procurement exercise for resources to develop full business cases will be undertaken.
- 5.2. Both capital and revenue budgets which can be identified as a contribution to the City Region Deal will need to be ascertained.
- 5.3. It should be noted that not all major projects taking place in the County over the next 10 to 15 years will be funded through the deal. The Council will continue to prioritise other projects through its Capital Plan, the Housing Capital Plan and applications to other sources of funding.
- 5.4. Staffing: there are no current staffing implications arising from this report.

6.0 Exempt Reports

- 6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities (Please double click on the check box <input checked="" type="checkbox"/>)	
The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input checked="" type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input checked="" type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
 Yes No

These will be required at a later stage when fuller project detail is available to allow for a meaningful assessment.

9.0 Legality

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1: Programme Matrix

Appendix 2: Project Specific Detail

11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

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Approved by

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Stirling & Clackmannshire City Region Deal - Programme Matrix (Clackmannshire Elements)

Project Components	Projects			Geographical Impact			
	Investor Confidence	Inclusive Growth	Sustainable Place	Sauchie	Alloa	Forestmill	County Wide
Business Parks & Premises	✓✓✓	✓	✓	✓✓✓	✓✓✓	✓	
Unlocking Housing Development (school estate)	✓✓✓	✓	✓✓	✓✓✓	✓✓	✓✓✓	
Alloa Town Centre Regeneration	✓✓	✓	✓✓		✓✓✓		
Digital Infrastructure & Skills	✓✓✓	✓✓	✓✓				✓✓
Achievement Campus	✓✓	✓✓✓	✓	✓✓✓			
Alloa Marina Development		✓	✓✓		✓✓✓		
Innovative Learning System	✓	✓✓✓					✓✓✓
Family Support & Childcare	✓	✓✓✓	✓				✓✓
Coastal Re-alignment			✓✓✓		✓✓✓		

Regional Enablers	Investor Confidence	Inclusive Growth	Positive Place	Sauchie	Alloa	Forestmill	County Wide
Energy Networks	✓	✓✓	✓✓✓	✓✓	✓✓	✓✓	✓
Employability & Skills	✓✓	✓✓✓					✓✓✓
Transport Infrastructure (inc. river & public transport).	✓✓	✓✓	✓✓	✓✓	✓✓	✓	✓✓

The number of ticks against a particular item indicates the level of importance of a project to the relevant theme or geography.

**STIRLING AND CLACKMANNANSHIRE CITY REGION DEAL
PROJECT SPECIFIC DETAIL**

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Investor Confidence

The overall aim of this project is to increase the level of private sector investment in the area. We need to do this because of fundamental structural and economic barriers making it difficult to grow the local economy and spreading the benefits of this growth throughout local communities.

What opportunity or issue the project is seeking to address

The Investor Confidence project has been designed to:

- Address challenges arising from a shrinking and ageing population and the consequent demands this will put on public sector services
- Address the issue of plummeting private sector house building levels in the county
- Increase the number and diversity of job opportunities through the removal of development constraints on key employment sites
- Provide access to world class digital infrastructure
- Ensure that enabling transport infrastructure is available

Clackmannanshire faces a perfect storm of projected demographic changes with a shrinking, ageing population projected to emerge in the years to 2039. This will put pressure on public services, including the social care cost of supporting an elderly population set to grow by over 30% in the next two decades. The problem of an ageing population exists in Stirling and across Scotland, but in both instances, population levels overall, including the number of working age individuals, is set to rise. This is not the case for Clackmannanshire.

At the same time house-building rates in Clackmannanshire have plummeted by 70% since 2008 with little signs of recovery, particularly in the private sector. Some major proposals supported through the Local Development Plan, have stalled. Capacity within the area's schools is a major contributory factor to this trend but other significant infrastructure barriers also exist. Developers stress that building houses in Clackmannanshire is now less viable/non viable compared to elsewhere.

Clackmannanshire also has a higher percentage of economically inactive population who are seeking a job in an area where the job density is significantly lower than both Stirling and Scotland. The third strand we are seeking to address, then, is to increase the number and diversity of job opportunities in Clackmannanshire through the removal of development constraints on key sites.

Clackmannanshire tends to be at the end of the queue in terms of programmes to upgrade digital connectivity. As part of a wider programme to support investment in the area, there is an opportunity to provide digital infrastructure that is recognised as being the best available for our businesses, residents, visitors and communities.

The provision of transport infrastructure will be an important element in enabling and supporting investment and ensuring that benefits are spread throughout our communities.

The overall aim of this project, therefore, is to address market failure by supporting private sector investment in order to address population decline and to support the growth of more jobs in the area.

The projected outputs and impacts

The Investor Confidence project is designed to achieve the following:

- The removal of constraints to bring forward Business Park and Premises opportunities at three key locations (Alloa West, Alloa East and Alloa Town Centre)
- The removal of constraints through new school provision and support for ground remediation and site servicing at four key housing growth areas (Forestmill, Sauchie West, Sauchie East/Carsebridge)
- Regeneration of Alloa Town Centre
- Access to enhanced digital infrastructure, including broadband improvements, to create a Smart County
- Provision of enabling transport infrastructure

This will be achieved initially through:

- Feasibility/Option Appraisal studies for key employment sites
- Financial Appraisal, taking account of infrastructure requirements, to assess viability of key housing development sites
- Feasibility/Option Appraisal for key development opportunities in Alloa Town Centre
- Scoping Smart County projects and development of Smart Strategy
- Developing City Region Transport Strategy

The overall aim is increased private sector investment in the area to support the regional vision. In doing this it will achieve wider economic and social benefits such as direct and indirect jobs, an increased tax base for local services and stronger local communities with a more balanced age structure.

How project sits within the overall City Region Deal and other regional strategies and plans

The Regional Vision Statement looks to unlock the economic potential of the area with a specific focus on infrastructure investment. The Investor Confidence project is central to the delivery of inclusive growth as it the means by which job opportunities will be created and plays a key role in driving population growth. It will make possible the realisation of developments already identified as those required for this growth in the Local Development Plan and make possible multi million pound private investment. One opportunity, as part of any major residential development, includes exploring the case for a veteran's village.

How it fits with SG policy particularly around Scotland's Economic Strategy

The Investor Confidence Project directly addresses three of the four broad priority area highlighted in Scotland's Economic Strategy.

In terms of **Investment** it focuses on the provision of the physical and digital infrastructure to enable Clackmannanshire to play its part in the national and global economies; promotes the growth of businesses and job opportunities; and promotes resilience of local communities

In terms of **Innovation** it supports the development of innovative businesses through improved digital connectivity.

In terms of **Inclusive Growth** it will support the development of sustainable and well paid jobs; provide greater opportunities to access jobs; and assist in tackling inter-generational inequality as well as more equal growth

How it fits with UKG policy particularly around the draft Industrial Strategy

The Investor Confidence Project will directly address the following pillars of the draft industrial strategy;

- Upgrading infrastructure
- Supporting businesses to start and grow
- Driving Growth across the whole country

Linkages and dependencies

The Investor Confidence project is central to the delivery of inclusive growth. It is what creates the economic growth opportunities for residents to access with the support of people based projects.

The Transport Enabler project will also be key. Consultation has highlighted transport as a key factor in social and economic exclusion, particularly when journeys to work need to be combined with transporting children to and from childcare and education settings.

SG ask / UKG ask £: TBC

Local contribution £: TBC

Third party £: TBC

Total £: TBC

Inclusive Growth

The Inclusive Growth project will “invest in our people at all stages of life to ensure that we have a well skilled, healthy and resilient population and an innovative, engaged and productive workforce” (paraphrased from Scotland’s Economic strategy, March 2015). It recognises that the economic benefits from economic development initiatives do not always ‘trickle down’ to those most disadvantaged in society and that these people and communities will need targeted support to take advantage of them.

What opportunity or issue the project is seeking to address

Whilst Clackmannanshire held off the industrial decline at the end of the 20th Century for longer than some, it was hit deeply and has never fully recovered. In particular it lost a volume of jobs that sent it to the bottom of the jobs density figures and there it remains (at 0.5, the 3rd lowest in Scotland). Residents had to make a transition from having plenty of local jobs, with benefits such as employer provided transport, to a lack of local jobs and a need to look beyond Clackmannanshire’s borders for work. Many residents have made this transition very successfully. At the last census, over half of all residents who worked did so outwith the County.

Those who didn’t succeed in this transition have suffered long-term, sometimes intergenerational worklessness, and the associated poverty and exclusion that follows. Clackmannanshire faces challenges of poor health & wellbeing, alcohol use, low attainment, low aspiration, and an associated culture of ‘helplessness and hopelessness’. There is a striking gender disparity in much of the data (against Scottish averages) which shows that women are less likely to be in employment, when employed are some of the lowest paid workers in Scotland and the UK (at 2016 earning female full-time resident workers earn £353 compared to £482 for Scotland and £481 for the Great Britain), are more likely to be disabled, to have teenage pregnancies and to suffer domestic violence. In addition they are more likely to have caring responsibilities which impact on the how, where and when they work. These issues for women are of a concern in themselves but have the additional dimension of the impact they have on their children and families.

Young people, additionally, face ongoing challenges. Youth unemployment remains persistently high and our young people do not participate in Further & Higher Education to the same degree as those in other areas. The claimant rate for 18-24 at June 2017 year olds was 6.0% compared to 3.5% for Scotland and 2.8% for Great Britain).

The projected outputs and impacts

We aspire to deliver sustainable change for people and families who face a range of social and economic challenges, including gender disparities, and to prevent these issues arising for others in the future. We want the young people leaving school at the end of the City Region Deal programme to enter a world of opportunity with the skills, attitudes and self-belief to build a better future for them, their families and their communities. The projects are designed to address specific local issues and use innovative solutions as well as those tried and tested approaches which have been shown to deliver sustainable change. This will include:

1. The development of an 'Achievement Campus' in Sauchie which will act, not only as a school, but as a 'smart centre' for family learning and skills development, utilising technology innovatively and creatively. It will act as a mechanism to bring the Public, Private and Voluntary sectors together to deliver positive outcomes for individuals and communities, through effective cross sector collaboration.
2. The development and delivery of an innovative learning system that builds on the attainment challenge and tackles the question: How could education across the region feel different in response to the specific issues and needs that are being identified locally and in the context of a rapidly changing job market? Specific approaches will be devised in the first phase.
3. Support to families to address poverty and exclusion from learning, employment and training opportunities and increase parenting skills. Key among this will be increasing child care provision in a way that is accessible, economically viable and sustainable through community based initiatives and social enterprise.
4. Skills and employability, as an enabler, will be key to ensuring we capitalise on the transformative opportunity of the City Region Deal. It will ensure that all people, regardless of age, ability, gender or life chances are equally able to gain meaningful skills and enter and progress to fair work. It will also ensure that current and future employers will have the work force matched to their needs, flexibly and locally delivered.

How project sits within the overall City Region Deal and other regional strategies and plans

The project is fundamental to the delivery of Inclusive Growth. Whilst other projects will build the economy and create opportunities, this project, along with the Skills and Employability enabler, will prepare residents both to take these up. In addition residents will be encouraged and supported to create opportunities of their own, e.g. self-employment, through greater personal achievement and aspiration.

The project additionally is consistent with the draft priorities identified in the Local Outcome and Improvement Plan for Clackmannanshire. In particular these include its focus on: women experiencing inequality and, people living in Alloa South & East who experience disproportionately poorer outcomes compared with the remainder of Clackmannanshire and the City Region.

How it fits with SG policy particularly around Scotland's Economic Strategy

The strategic approach is based on two key pillars: increasing competitiveness and tackling inequality. The Inclusive Growth project contributes to increasing competitiveness by ensuring business has available an 'innovative, engaged and productive workforce'. Its main focus is, however, on tackling inequality by delivering a 'well skilled, healthy and resilient population'.

The project supports the delivery of Scotland's Labour Market Strategy in particular in delivering: a labour market where there is; a skilled, productive and engaged workforce capable of meeting the needs of employers; equality of opportunity to access work and to progress to ensure everyone is able to maximise their potential; and, low unemployment and high employment.

In addition, by tackling the wider personal barriers and inequalities the project makes a contribution to other priorities for Scottish Government such as: equality (in particular around gender), health & wellbeing and attainment.

How it fits with UKG policy particularly around the draft Industrial Strategy

The project supports the aspiration of the Industrial Strategy “to improve living standards and economic growth by increasing productivity and driving growth across the whole country”. Enabling a supply of productive labour helps create the conditions for business to flourish and invest in the long term.

Linkages and dependencies

The Skills and Employability Enabler project is critical to the delivery of inclusive growth. It is what ties the development and Investor Confidence projects together with the people based projects. It is what links employers with the pool of people resources that were previously excluded.

The Transport Enabler project will also be key. Consultation has highlighted transport as a key factor in social and economic exclusion, particularly when journeys to work need to be combined with transporting children to and from childcare and education settings.

The Alloa Marina Development at Alloa will make a contribution to building the health, wellbeing and confidence of the community. It will provide a focus for regeneration in the Alloa South and East area which includes 4 datazones in the 5% most deprived areas in Scotland (SIMD).

SG ask / UKG ask £: TBC

Local contribution £: TBC

Third party £: TBC

Total £: TBC

Sustainable Place

The Sustainable Place strand of the City Region Deal plan supports the broader aims of the City Region Deal through investment in the green sector: green jobs, green infrastructure and green energy, although the benefits apply across the economic and social fields as well as the environmental field.

What opportunity or issue the project is seeking to address

The sustainable place project embraces the opportunities offered by Clackmannanshire's natural assets, in particular the River Forth and the areas distinctive geology. With changing climate and rising sea levels we are experiencing "coastal squeeze" that threatens the productivity and biodiversity of low lying land.

In addition to the inequalities outlined in the Investor Confidence and Inclusive Growth projects, Clackmannanshire suffers significantly high levels of fuel poverty: 1 in 3 households are affected including 49% of pensioners.

This project identifies opportunities that aspects of our natural and built heritage offer to address these issues. Investing in these projects represents investment in a climate-ready Clackmannanshire with improved health and equalities and twenty first century skills that make it a positive place to live, work, invest and visit.

The project has three principal components:

1. the Alloa Marina Development, in addition to regenerating the harbour infrastructure for river traffic, will create an eco building on the old harbour site at Alloa which would be a flagship for tourism and the arts in Clackmannanshire, bringing together professionals, volunteers and offer a range of apprenticeships.
2. the Coastal Realignment project will transform flood-threatened agricultural land with decreasing productivity into a beacon for tourism, habitat creation and climate change protection for both Scotland and the UK. This will be achieved by proactively breaching the currently deteriorating sea wall, allowing estuarine waters to inundate the land on each tidal cycle with a smaller secondary seawall built further back to protect infrastructure.
3. in Community Energy Networks, a range of projects has been identified, with Alloa, Forestmill and Sauchie currently being recognised as primary areas of development where heat density from both industry and natural sources is sufficiently high to develop District Energy Networks. We will do this by building on our ecological and mining heritage (geothermal) along with solar, heat from waste and hydro sources to provide secure and affordable energy supplies for homes and businesses along with skills development and associated business opportunities.

The projected outputs and impacts

- Iconic building as part of the Alloa Marina Development functioning as a magnet for creative development
- The largest coastal realignment in Scotland, creating 80ha intertidal zone offsetting 10% of national intertidal loss
- Flood protection and climate change adaptation for community safety, business continuity and investor confidence

- Spaces for nature and for people or all abilities and a range of interests which have the potential to deliver improved health outcomes in the Forth Valley area.
- Demonstration project and tourism development attracting thousands of visitors annually, potential National Wetlands Centre
- Secure, affordable and accountable energy for people and businesses, reduced fuel poverty
- Smart low carbon energy networks linking resources with demand, supporting the draft Industrial Strategy and revised climate emission targets
- Business and investment opportunities in green energy and green skills

How the project sits within the overall City Region Deal and other regional strategies and plans

The Forth based components of the Sustainable Place project form part of a necklace of developments across the City Region Deal through Stirling and Clackmannanshire. These, collectively, will greatly enhance the offer for leisure, tourism, low-carbon energy along the north coast of the Forth and will provide links to popular assets of our neighbours such as the Fife coastal path and the Kelpies. The infrastructure around the Forth will be enhanced for all and support the delivery of a healthy, sustainable Scotland.

The project supports a number of policies and strategies including:

- Clackmannanshire Council's Sustainability & Climate Change Strategy
- Forth Flood Risk Plan
- Forth Valley Community Risk Register

How it fits with SG policy particularly around Scotland's Economic Strategy

The Sustainable Place Project directly addresses broad priority areas highlighted in Scotland's Economic Strategy.

- In terms of **Investment** it focuses on the development of physical and green low carbon infrastructure that supports and protects communities and provides investor confidence in a climate-ready region.
- In terms of **Innovation** it supports the development of innovative businesses through developing green skills and networks, and innovation in land and environmental management.
- In terms of **Inclusive Growth** it will contribute to addressing fuel poverty and support the development of sustainable and well paid jobs in the green and creative and leisure sectors.
- In terms of **Internationalisation** the Coastal Realignment project will enhance Scotland's global standing in engineering for the international challenge of climate change adaptation.

Additionally it supports the Scottish Government's Climate Change Plan, Energy Efficiency Plan, Draft Energy Strategy, Biodiversity Strategy and Land Use Strategy

How it fits with UKG policy particularly the draft Industrial Strategy

Sustainable Place links strongly to the pillars of the Industrial Strategy through:

1. **Investing in science, research and innovation** particularly through innovation in land management and energy networks
2. **Developing skills** especially in the creative and green sectors

- 3. **Upgrading infrastructure:** the Industrial Strategy makes specific reference to energy and flood defence infrastructure
- 7. **Delivering affordable energy and clean growth:** Community Energy Networks exemplifies this

Linkages and dependencies

Key linkages are with the Skills and Employability enabler, Alloa Regeneration and Investor Confidence.

SG ask / UKG ask £: TBC

Local contribution £: TBC

Third party £: TBC

Total £: TBC

Alloa Regeneration

What Opportunity/Issue is the Project Seeking to Address?

Alloa is the principal centre in Clackmannanshire and is the key focus for economic activity, providing shopping, services and community facilities for Alloa and beyond. Alloa suffered significant economic decline in the 1980s and 1990s with the loss of key traditional industries and its current economic profile highlights a shortage of jobs. Alloa needs a catalyst to facilitate increased investment in the local economy with the promotion of high quality modern business/employment opportunities, together with innovative community development and the promotion of new housing around the town centre, which together will secure a range of positive economic, environmental and social projects which will transform Alloa and regenerate the centre and wider Clackmannanshire. We need to do this to improve economic activity levels. Sites that have been allocated in the adopted Local Development Plan have increasingly limited potential for development as Clackmannanshire generally represents a poor viability prospect for Developers compared to neighbouring areas. Essential infrastructure to unlock sites is required. Complementary innovative projects to attract investment and visitors will further support improved economic activity.

The projected outputs and impacts

The Alloa Regeneration Project is multi-faceted and focusses on three areas in Alloa to best achieve the outcomes that are necessary for the significant step change that will secure transformational change:

1. *Alloa Town Centre*

- Provide a realignment of the main strategic route through Alloa to incorporate a key development site within the town centre which will provide high profile business development opportunities as well as town centre housing development. The Council undertook land assembly of this site to safeguard land for such potential development. There is also an opportunity to create an integrated transport hub in conjunction with other proposals.
- Deliver development of town centre housing and business sites in close proximity to the train station. This can provide for around 300 homes and 2 hectares of business land.
- Facilitate the redevelopment of key leisure facilities with the potential to provide modern co-located leisure/sport provision (see 2. Alloa West).
- Enable the development of modern commercial leisure/hotel development in the town centre.

2. *Alloa West Business Park*

- Deliver a new strategic access road to the west of Alloa to secure a new Business Park and access the existing main industrial area to the south of Alloa, reducing industrial traffic in Alloa itself.
- Deliver a 52 hectare high profile modern Business Park which will provide a high quality environment for range of business uses, including an opportunity for a centre for sport. Land

will be safeguarded within the Business Park Masterplan for a rail halt to plan for future light rail transit opportunities. The Council is currently pursuing a couple of significant active proposals.

3. **Forth Riverside**

- Deliver the projected outputs and impacts outlined in the ‘Sustainable Place’ project specific detail, including:
 - An iconic building for creative development as part of the regeneration of Alloa harbour,
 - Coastal realignment and flood protection and the development of a national wetlands centre
 - Low carbon energy
 - Green energy, green skills and business investment opportunities.

This will be achieved initially through:

- Masterplan for business park sites
- Feasibility/option appraisal studies for key development opportunities in Alloa Town Centre
- Feasibility/option appraisal studies for public transport hub
- Feasibility/option appraisal studies for road realignment and strategic new access/relief road at Alloa West business park.

How the Project Sits Within the Overall City Region Deal and Other Regional Strategies and Plans

The project is integrated with other City region deal priorities in terms of delivering inclusive growth, increasing investor confidence and Making Alloa town centre and its wider area a sustainable place. It will deliver key adopted local plan proposals that require intervention to be achieved.

How it fits with SG policy particularly around Scotland’s Economic Strategy

The Alloa Regeneration project directly addresses broad priority areas highlighted in Scotland’s Economic Strategy.

In terms of **investment**, it focuses on investment in our under developed infrastructure and this will directly address the factors holding the wider Clackmannanshire economy back.

By aligning central government infrastructure investment with local growth priorities, major investment opportunities will be created while promoting **inclusive growth** through supporting sustainable job creation and allowing Clackmannanshire to capitalise on its unique natural assets to provide a quality and healthy environment accessible to all.

In terms of **innovation**, the project supports the development of innovative business particularly through developing green skills and innovation in land and environmental management and the Alloa Marina Development.

How it Fits with UK Government Policy Particularly the Draft Industrial Strategy

The Alloa Regeneration project particularly addresses the following pillars of the draft Industrial Strategy:

<i>UK Government Pillars</i>	<i>Project Examples</i>
3. Upgrading infrastructure	<ul style="list-style-type: none">• Strategic road realignment in Alloa town centre
4. Supporting business	<ul style="list-style-type: none">• Alloa Business Park new strategic access road
6. Encouraging trade and inward investment	<ul style="list-style-type: none">• Alloa West Business Park site facilitation to provide development opportunity
7. Delivering affordable energy and clean growth	<ul style="list-style-type: none">• Town Centre Business sites• Alloa West Business Park new high profile site availability
9. Driving growth across the whole country	<ul style="list-style-type: none">• Forth Riverside Green Energy/skills• All project areas reinforcing Alloa as a sustainable place

Linkages and Dependencies

In particular, the Alloa Regeneration Project needs to be considered alongside the 'Sustainable Place' project. It also has strong linkages with 'Increasing Investor Confidence' and 'Delivering Inclusive Growth'.

SG ask / UKG ask £: TBC

Local contribution £: TBC

Third party £: TBC

Total £: TBC

Sauchie Development Land Release

What Opportunity/Issue is the Project Seeking to Address?

The overall aim of this project is to enable the release of substantial areas of allocated development land for housing, business and associated educational facilities. We need to do this because house completion levels in Clackmannanshire have collapsed by 80% since the wider economic crisis in 2008 (e.g. 450 completions in 2006 to 84 in 2015). Sauchie, in particular, has had two large housing development sites allocated in the adopted Local Development Plan for many years (tbc) with no prospect of any development taking place on either in the foreseeable future. Over 77 hectares of housing development land with the capacity for over 1200 new homes is involved. In the case of Clackmannanshire, the broken housing market is contributing to projected population decline (3% from 2014 – 2039) in contrast to Stirling and Scotland as a whole where increases of 11% and 6.5% are expected over the next 25 years. The demographic impact is also matched by associated poor economic activity levels in the local economy.

Both strategic housing sites in Sauchie (Sauchie East & West) are privately owned with apparently willing sellers and housebuilder interest in one of the sites. However, beyond the wider economic circumstances, both sites lack essential infrastructure due to insufficient primary and nursery school accommodation in the town and the absence of suitable roads infrastructure. In the case of Sauchie East, a 30.7 ha brownfield site currently owned by Diageo, a masterplan has been prepared and the multi-national business is looking to sell the site once its use of remaining bonded warehouses and laboratories on the site has ceased. Discussions with the company suggest they may be willing to invest the proceeds of any sale in the expansion of their other business operations in Clackmannanshire near Tullibody and Menstrie. Part of this site (6 ha) is also allocated in the Local Development Plan for business development and following the recent sale of the final speculative development plot at Dumyat Business Park, Tullibody the Council is very keen to assist Diageo to release its vacant site in order that a new speculative Business Park can be serviced and marketed. This would provide a stimulus to business growth in the east of Clackmannanshire adjoining Sauchie and Alloa and near Clackmannan which is currently the subject of economic regeneration activities following the premature closure of nearby Longannet Power Station.

In the case of Sauchie West, a 53 ha development site with housebuilder interest, there are significant obstacles preventing the release of land for housing. Firstly, ground consolidation (following past mining) has been hampered due to the recent loss of Longannet Power Station as a local market for shallow coal deposits. Equally, with an approved allocation of some 800 houses, there is currently no available primary or nursery school capacity which otherwise needs to be funded entirely by the landowner/developer.

Beyond these two strategic sites the Council is also exploring the possibility of a third site which would essentially provide a medium-longer term second phase to Sauchie East. In doing so the Council is also exploring the possibility of acquiring a relatively central site to accommodate a major school consolidation project whereby the existing two local primary schools and a separate nursery school could be replaced following the construction of a new and fully integrated educational establishment at Sauchie East. The development of this 'Achievement Campus' is considered to be a flagship development as part of the Council's wider 'Inclusive Growth' project.

The Projected Outputs and Impacts

The Sauchie Development Land release project will deliver a complementary set of outputs and impacts:

1. New school infrastructure through the Achievement Campus which will effectively address the absence of educational provision for Sauchie which serves to unlock current and likely future strategic housing sites in Sauchie and support the delivery of inclusive growth. This will unlock significant private sector investment in housing.
2. New integrated roads and transport infrastructure to provide roads, public transport and active travel options. Crucially, these will provide sustainable connections between people and businesses.
3. The school and roads infrastructure will unlock the development of 1200 homes. This along with the Achievement Campus will make the area more attractive to families and help address the projected decline in the working aged population. We aim to work in partnership with the current landowners/housebuilder to enable the release of both sites for housing by 2020 or earlier.
4. The creation of employment opportunities through the development of business land.

How the Project Sits Within the Overall City Region Deal and Other Regional Strategies and Plans

The project is integrated with other City Region Deal priorities in terms of delivering inclusive growth, increasing investor confidence and making Sauchie a sustainable place. Crucially, both strategic housing sites and the proposed business park are approved as part of the Clackmannanshire Local Development Plan (Adopted August 2015). Intervention to release housing land in Sauchie will help reverse projected population decline by increasing the towns citizens from approximately 6,000 to over 8,500 and potentially nearer 10,000.

How the Project Fits with Government Policy

The project most closely fits with two key priorities in **Scotland's Economic Strategy**, namely **Investment** and **Inclusive Growth**. We are determined to ensure Sauchie contributes effectively to making the City Region and Scotland more successful. By investing in our under-developed infrastructure we will directly address the factors holding the wider Clackmannanshire economy back. By aligning central government infrastructure investment with approved local growth priorities we aim to create major investment opportunities while promoting inclusive growth. Investment in new homes, business development and a major new 'Attainment Campus' will create opportunities for everyone in Sauchie and the wider Clackmannanshire community. Indeed, working with Diageo as the owner of the Sauchie East site creates the opportunity to assist the company to invest throughout Clackmannanshire while supporting one of Scotland's main exporters to grow.

Of course, the supply of new homes remains a key priority for both Central and Local Government. Together with its enabling infrastructure the major housing projects are estimated to create over £275 million of speculative development based on current LDP allocations and potentially open up a further £140 million of phased growth in the medium-longer term. The project equally supports the relevant **infrastructure, business start up and growth, cultivating world leading sectors and inclusive growth pillars** of the **UK Governments draft Industrial Strategy**. As such, we consider that this is a major opportunity within the City Region to close the gap between some of our most productive places and people and the rest.

Linkages and Dependencies

In particular, the Sauchie Development Land Release Project needs to be considered alongside the Delivering Inclusive Growth Project and the flagship 'Attainment Campus' development which is planned to be an essential part of the enabling infrastructure in Sauchie. The project also has key linkages with the 'Increasing Investor Confidence' and 'Sustainable Place' projects.

SG ask / UKG ask £: TBC

Local contribution £: TBC

Third party £: TBC

Total £: TBC

Forestmill Development Land Release

The project aims to facilitate the commencement of a development in Forestmill incorporating a Community Energy Network, digital infrastructure and affordable housing. In the current financial climate, the circumstances surrounding Forestmill mean that it would be unlikely to go ahead without intervention. The worst case scenario would be that a ‘watered down’ development may be proposed, which would not include the opportunities to incorporate a local energy network or digital infrastructure, and would result in an unambitious, standardised urban development which would not be ‘future proofed’ if it did not incorporate the technologies proposed. This was not deemed a desirable outcome as the vision for Forestmill is of an exemplar development which would take advantage of the site’s characteristics and location.

What opportunity or issue the project is seeking to address

Delivering this development will enable the vision for Forestmill to be achieved and be used to demonstrate that the principles and techniques can be applied to other proposed and existing developments in Clackmannanshire and beyond. What Polnoon did for layout and design, Forestmill can do for District Energy and Digital connectivity.

The unique aspects of a development of this calibre in Clackmannanshire will attract in-migration and halt or reverse the projected population decline and age imbalance forecast in recent years. It will also address education capacity issues and provide opportunities for new types of business reliant on high speed, reliable digital infrastructure.

The projected outputs and impacts

The Forestmill development will:

- Demonstrate the feasibility of a Community Energy Network and allow the Council and developers to understand the processes involved in developing and implementing such a scheme for future incorporation in new and existing developments, and develop future policy and guidance for wider implementation. In doing so it will provide secure and affordable heat and power to all properties, including affordable housing, businesses and public buildings in Forestmill.
- Equip all properties with digital infrastructure to allow homes, businesses, public buildings and home-based businesses to compete on a par with other areas served by state of the art digital infrastructure.
- Deliver a choice of homes and services for those wishing to relocate within Clackmannanshire, or move to the area from elsewhere, in a location which does not put more pressure on established residential areas and communities. This will help to address the declining, ageing population forecast for Clackmannanshire. Commencing housebuilding at Forestmill may have the knock on effect of encouraging confidence for others to start developing other sites.
- Deliver a new primary school, thereby increasing capacity in the school estate and creating capacity elsewhere for other development which may previously have been stalled due to school capacity issues.
- Allow business opportunities to establish in Clackmannanshire, where previously this would have been impossible, as the digital infrastructure was not in place to compete with the cities and larger settlements.

How project sits within the overall City Region Deal and other regional strategies and plans

Delivery of this development will contribute to Inclusive Growth through new housing, social infrastructure, digital infrastructure provision and the incorporation of a secure, affordable, renewable energy supply. Through innovative design it will create a Sustainable Place and a commitment to incorporating new technologies will increase Investor Confidence.

How it fits with SG policy particularly around Scotland's Economic Strategy

The project represents sustainable inclusive and economic **growth** underpinned by **investment** in people, infrastructure and assets and based on **innovation**.

This will be achieved through the provision of physical and digital connectivity to create a strong, successful, resilient community. Access to this infrastructure will reduce the disparities in economic performance between Scotland's regions and local areas and address the accessibility and connectivity challenges faced by areas outwith the main cities.

How it fits with UKG policy particularly around the draft Industrial Strategy

The project will directly address the following pillars of the draft industrial strategy;

- **Upgrading infrastructure**

Improvements to digital infrastructure will be felt most in rural areas. The average download speed in urban areas is at least three times faster than in rural communities, limiting people's ability to seize the opportunities of the digital economy. Supporting the rollout of fast broadband in rural areas removes barriers to entrepreneurship and enables new business to locate and grow there.

- **Supporting businesses to start and grow**

By building on the local business base we can make it easier for more people to access new job opportunities closer to them.

- **Delivering affordable energy and clean growth**

In the years ahead two important areas of energy policy require a higher priority: the affordability of energy for households and businesses; and securing the industrial opportunities for the UK economy of energy innovation.

Linkages and dependencies

This project will contribute to achieving the overall vision of the City Deal by creating jobs and educational opportunities, reducing energy costs for businesses and households, helping to eliminate fuel poverty and associated social inequalities and establishing Clackmannanshire as a leading authority on innovative district heating networks.

SG ask / UKG ask £: TBC

Local contribution £: TBC

Third party £: TBC

Total £: TBC