



# Lock 16: Scotland's Centre of Excellence for Canals and Traditional Skills

## Full Business Case



Scottish  
Canals



HISTORIC  
ENVIRONMENT  
SCOTLAND

ÀRAINNEACHD  
EACHDRAIDHEIL  
ALBA

# FALKIRK COUNCIL



Date	Version	Comments
9 October 2025	1	Version 1 for review by IPMU and Scottish Government

Project SRO: Richard Millar, Chief Operating Officer, Scottish Canals

Email: [Richard.Millar@scottishcanals.co.uk](mailto:Richard.Millar@scottishcanals.co.uk)



# Contents

Executive Summary	i
1 Strategic Case	1
1.2 Strategic Need	6
1.3 The Case for Change	15
1.4 Potential Scope	38
1.5 Main Benefits Criteria	39
1.6 Dependencies and Constraints	41
1.7 Stakeholders	43
1.8 Risk	46
2 Economic Case	47
2.1 Introduction	47
2.2 Market Failure	47
2.3 Critical success factors	48
2.4 Long-listed Options	51
2.5 Short-Listed Options	62
2.6 Economic and Social Costs and Benefits	64
2.7 Net Present Social Value Findings	70
2.8 Quantitative and Qualitative Benefits Appraisal	75
2.9 Risk Appraisal	78
2.10 The Preferred Option	82
2.11 Sensitivity Analysis	83
2.12 Confirmation of the Preferred Option	85
2.13 Benefits and Targets	85

3	Commercial Case	87
3.1	Meeting the Needs of Partners and Stakeholders	87
3.2	Funding Option	88
3.3	Commercial Demand	88
3.4	Procurement Strategy	89
3.5	Required Services	96
3.6	Contract Arrangements	103
3.7	Potential for Risk Transfer	107
3.8	Proposed Payment Mechanisms	107
3.9	Proposed Charging Mechanisms	108
3.10	Proposed Contract Lengths	108
3.11	Programme Plan and Contractual Milestones	108
3.12	Proposed Key Contractual Clauses	110
3.13	Deal Funding Claims	110
3.14	Pre-Claim Requirements	110
3.15	Personnel Implications	111
3.16	Accountancy Treatment	111
4	Financial Case	113
4.1	Project Costs and Expenditure	113
4.2	Project Income	117
4.3	Impact on the Organisation's Income and Expenditure Account	120
4.4	Impact on the Balance Sheet	122
4.5	Treatment of VAT	122
4.6	Financial Risk	123
4.7	Overall Affordability	123



5	Management Case	124
5.1	Governance	124
5.2	Project Management and Delivery	129
5.3	Project Plan and Milestones	132
5.4	Change Management Process	132
5.5	Legal matters	133
5.6	Sustainability and Carbon Impacts	136
5.7	Monitoring and Evaluation	140
5.8	Risk Management and Contingency Plans	144
5.9	Communications Plan	144
6	Appendices	146

# Executive Summary

---

The historic built environment sector faces a skills crisis, with an ageing workforce, outdated qualifications, limited regional access, and unsustainable funding models. Rising costs have stifled innovation and left much of Scotland without vital training to preserve heritage and support the transition to net zero.

The project, **Lock 16 - Scotland's Centre of Excellence for Canals and Traditional Skills'** involves the regeneration of the former AG Barr building in Camelon, Falkirk to establish an operational base for Scottish Canals and create an accredited training hub to expand traditional skills and volunteer training (upskilling, reskilling and transition) for maintaining Scotland's built and canal heritage.

The project is being led and delivered by Scottish Canals (SC) and Historic Environment Scotland (HES) who are both major asset managers of heritage assets and provide public benefit through access and engagement. The organisations share many cross-cutting objectives with a focus on the stewardship of cultural heritage assets across Scotland from properties and scheduled ancient monument infrastructure to collections, archives to intangible cultural heritage, providing public access, and delivering revenue generating activity which supports their corporate objectives.

Phase one of the project is complete, with SC having invested £3.65m to regenerate the site and make the building wind and watertight. Phase two has secured an additional £3.7m from the National Lottery Heritage Fund (NLHF) and combined with funding from the Falkirk and Grangemouth Growth Deal (FGGD) and commitments from project partners, the Centre of Excellence will now focus on building a sustainable, multi-generational system for skills development and pathways, supporting long-term economic and community growth. The Centre of Excellence has the overall ambition to:

1. Preserve Scotland's heritage.
2. Regenerate and strengthen communities.
3. Open opportunities for diverse learners to engage in traditional and canal-related skills.

## Project Deliverables

The project aims to deliver against its ambition through:

- Creating a new consolidated operational hub for SC to support the Lowland Canals.
  - Relocation of SC Canal operations, maintenance, and engineering base.
- Creating a dedicated national hub and centre of excellence that will provide classroom, workshop, networking, and engagement/outreach space. The hub will offer the right blend of functional space by integrating workshops and 'hands on' training space with digital innovation and e-learning:

- Relocation and consolidation of HES Skills Training Centre (which is currently delivered from the Stirling Skills Centre at Cunningham Road, Stirling) to enhance capacity within the existing Modern Apprenticeship programmes for stone masonry and rural skills.
- Establish a new dedicated hub for SC volunteer and employability training.
- Delivering a programme of outreach engagement to inspire people to get involved and volunteer in the historic environment.
- Creating and delivering new accredited workforce micro-credentials to enhance the capacity and capability of the historic environment and heritage sector:
  - SCQF 8: Planning, Surveying and Recording the Condition of Built Assets for Conservation.
  - SCQF 6: PDA: Repair and Maintenance of Traditional Masonry Structure.

### Impact on Existing Provision

While there is a strong case for developing the project based on business need, market demand, and policy fit, it is also important to consider the impact on existing provision from consolidating and relocating activity to the Centre of Excellence.

**HES skills and education training** – the training will be relocated from its current site at Cunningham Road, Stirling. HES have been based there since 2021, however, it was always intended to be a temporary location. The proposed site offers a larger, more affordable and appropriate space that will allow HES to expand its training provision. The facility at Cunningham Road, which is leased from a private sector operator will be closed and all operations relocated, including:

- 7 FTE staff.
- 48 Stonemasonry Modern Apprentices per annum.
- Maximum of 12 Craft-fellows per annum.

HES operates two other training centres in Elgin and at the Engine Shed in Stirling, these will continue to operate as current, and the Centre of Excellence will have no impact on these facilities. All regulated training that HES delivers is done under the Engine Shed Scottish Qualification Authority & National Open College Approved Centre status. This approval will be extended to cover training delivered at the Centre of Excellence. HES will continue to support training interventions across Scotland, as resources allow. Key to the success of the Centre of Excellence is the creation and support of an ecosystem of training provision across Scotland, a Hub & Spokes model.

**Scottish Canals - operations, maintenance and engineering hub at West Mains.** The building is leased from Falkirk Council and there are 27 staff that are 'based' there. However, it is important to highlight that the building operates as more of a transient hub, as opposed to a home base for the team where they store equipment, plant, tools, etc.

The staff based there are responsible for maintenance across the entire Lowland Canal network – which stretches east to west across Scotland. Necessarily, the team are required to be mobile and 'on site' for most of their time.

At the Falkirk level the impact will be minimal as the staff are only being moved to a more appropriate and affordable location within the same local authority, so no jobs will be 'lost'. At the very local Grangemouth level there will be a reduction in induced spending i.e. staff that are based there spending money in the local shops and services (lunch, shopping, etc).

In addition, there may be some benefits to the local area as SC relocation will free up floorspace in an attractive industrial estate - leasing the unit vacated by SC to a private operator will bring new permanent jobs to the area (SC were using the facility as a transient hub) and could attract sectors aligned to the Greener Grangemouth proposals.

**Scottish Canals - Volunteer Programme** - Scottish Canals has a long-standing commitment to volunteering, currently supporting over 2,000 volunteers annually through a mix of public volunteering, corporate days, and partnerships with schools, canal societies, and community groups. These activities are promoted through the Scottish Canals website, social media, and wider corporate communications, and are coordinated by two existing staff members, one based in the Lowlands and one at the Treehouse in Inverness, a growing canal-side community hub for engagement and wellbeing.

As part of the Centre of Excellence, these existing strategies will be expanded and formalised. The Centre will provide a dedicated space for volunteer training, outreach, and engagement, enabling Scottish Canals to increase capacity, diversify opportunities, and reach new audiences. The two new SC roles, a Volunteering and Employability Manager and a Volunteer Co-ordinator, will be appointed to lead this work, joining the existing team to form a national volunteering network.

## Definition of Traditional and Rural Skills

To assist the reader, the following definitions are provided.

'Traditional' and 'heritage' skills are an umbrella term as defined as those required to conserve, adapt, manage, protect, maintain, and repair an historic environment asset. This includes skilled crafts such as stonemasonry, blacksmithing, carpentry, timber framing, plasterwork, traditional roofing (slating and thatching), architectural and ornamental metalwork, and lock gate manufacture.

Training provision in traditional and heritage skills straddles between elements of formal, regulated training provision for crafts such as Stonemasonry and Roof Slating, to the informal and unregulated areas of thatching, earth building and metal conservation.

Rural Skills within the context of this business case refers to an area of vocational skills that straddle the natural and historic environment, that provide entry-level training and employment opportunities within HES and SC and other similar heritage sector organisations. Skills include habitat management, grounds maintenance including basic construction skills such as fencing, pathways, as well as general building conservation skills such as repointing, traditional roof repairs and monument consolidation. The Rural Skills Modern Apprenticeship is at SCQF 5, providing opportunities for candidates to move on to higher level MAs or other training in Construction Crafts, Heritage Skills and Environmental Conservation.

### Community Wealth Building

The project has embraced the overarching principles of Community Wealth Building to ensure that (where feasible and appropriate), benefits and impacts are retained within the Falkirk and Grangemouth area. We would note our intended approach to<sup>1</sup>:

- Progressive procurement – through the use of specific community benefit clauses with the main and associated subcontractors.
- Fair employment – both SC and HES are Living Wage employers, and this will be a requirement for the capital construction works.
- Socially productive use of land and assets – the Centre of Excellence will be a mixed-use space that supports employment but also offers training, skills and volunteering opportunities for local people.

### Engagement and Promotion

SC and HES will utilise their existing extensive networks (local, national, international and digital) to help engage and promote the project. As noted above, SC will employ two dedicated roles to deliver the enhanced volunteer programme while HES will build on their relationship with DYW Forth Valley and with other DYW regional groups.

For example, [Build Your Future](#) was a DYW Forth Valley project that HES was instrumental in developing and is now core to our national skills outreach offer and will be fully embedded in our the Centre of Excellence programme. Once the delivery team are in place, HES will reach out to local schools through DYW coordinators and careers service to ensure that opportunities are flagged to young people appropriately.

---

<sup>1</sup> Please note that the bullets are indicative and not exhaustive. Project partners will work with stakeholders to develop approaches once the project is approved and commenced.

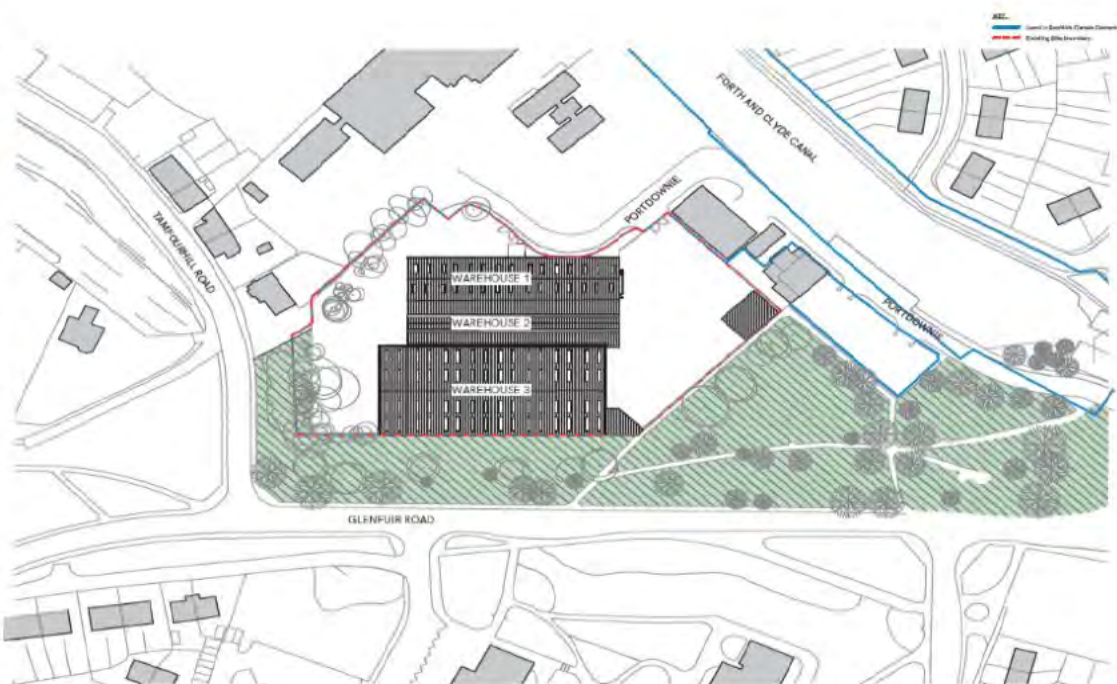
HES is also in discussion with sector partners including SCQF & Education Scotland about a National 5 in Heritage Skills that would initiate a pathway for heritage sector careers within curriculum.

### **Funding Ask**

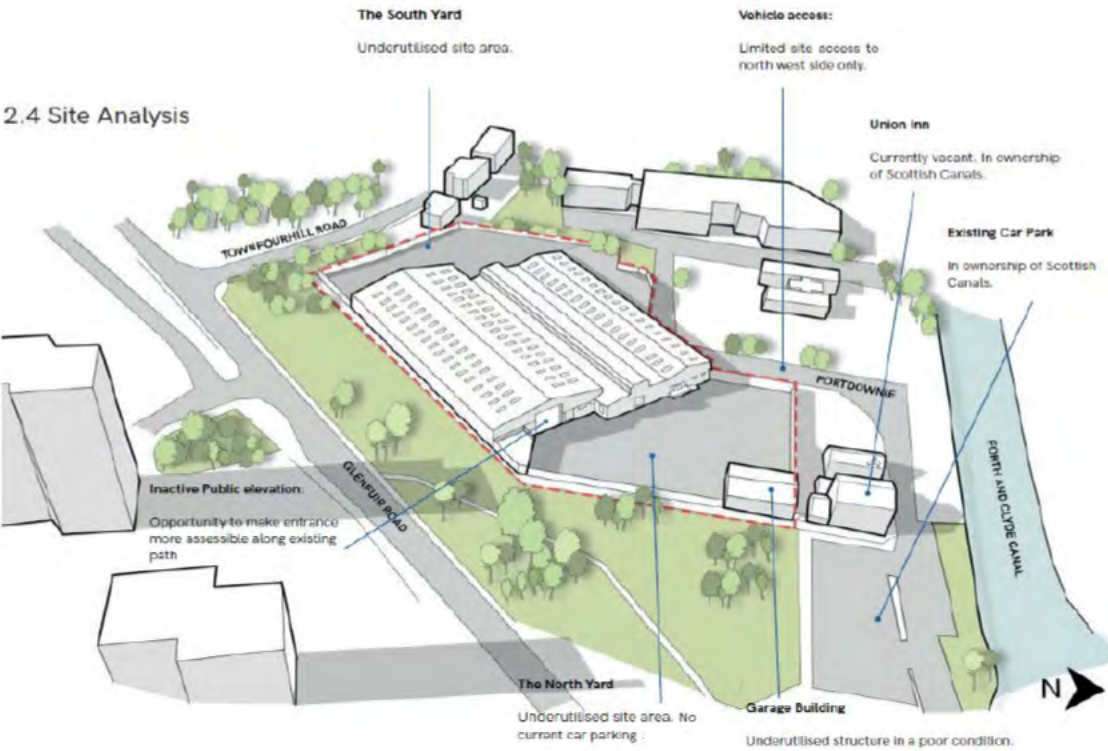
This Full Business Case (FBC) is requesting capital funding of £4 million from the FGGD to support the development of 'the Centre of Excellence - Scotland's Centre of Excellence for Canals and Traditional Skills' which will provide the largest single space in Scotland, dedicated to the development and delivery of high-quality traditional and heritage skills training.



Figure 1: Site Location and Boundary



2.4 Site Analysis





# Strategic Case

## Contribution to Policy Priorities

The project has demonstrated a strong fit with, and contribution towards, relevant national, regional, and local policy priorities.

UK-level Policy	Scottish-level Policy	Regional and Local Policy:
<ul style="list-style-type: none"> <li>UK Government Plan for Change - Milestones for Mission-Led Government</li> </ul>	<ul style="list-style-type: none"> <li>Equality, opportunity, community - New leadership - A fresh start</li> <li>Scotland's National Strategy for Economic Transformation</li> <li>National Performance Framework</li> <li>National Heritage Lottery Fund, Heritage 2033</li> <li>Place Principle</li> <li>Scottish Canals Better Lives by Water, Corporate Plan 2023-2028</li> <li>Historic Environment Scotland, Our Past, Our Future</li> <li>Fit for the Future: Developing a post school learning system to fuel economic transformation: Skills Delivery Landscape Review</li> <li>National Planning Framework 4</li> </ul>	<ul style="list-style-type: none"> <li>Falkirk and Grangemouth Growth Deal</li> <li>Regional Skills Assessment - Falkirk and Grangemouth Growth Deal</li> <li>Building a Fairer Falkirk</li> </ul>

## The Case for Change

There are five investment objectives that support the project which have been developed to align with, and address, the identified problem/need and opportunity.

Objective	How this will be achieved
Support place-based capital-led regeneration within Camelon / Tamfourhill, one of Falkirk's most deprived communities	Redevelop the former AG Barr building that comprises three adjoined warehouses, over 57,000 sq. ft to bring it back into productive use to act as a base for SC operations, maintenance and engineering and to deliver a range of traditional and heritage skills and volunteer training programmes
Address the skills and labour gaps within the historic environment sector	<p>HES will deliver a programme of 'micro-credential' in-work training:</p> <ul style="list-style-type: none"> <li>30 * SCQF 8: Planning, Surveying and Recording the Condition of Built Assets for Conservation per annum</li> <li>30 * SCQF 6: PDA: Repair and Maintenance of Traditional Masonry Structure per annum</li> </ul>
Enhance education and training pathways for traditional and heritage skills	<p>Develop Apprenticeship pathways to ensure new entrants have the skills and competencies to support growth in the historic environment sector</p> <ul style="list-style-type: none"> <li>3 additional Modern Apprenticeship in Stonemasonry</li> <li>5 additional Modern Apprenticeship in Rural Skills</li> </ul>

Increase awareness of opportunities to engage with the historic environment and heritage sector	Create a new hub to deliver an enhanced programme of volunteering, outreach and engagement to get people interested in the historic and canal environment – 1,135 volunteers engaged
Act as a good practice exemplar for collaboration and public sector reform to drive efficiencies and achieve net zero emissions	SC and HES will create a unique collaborative partnership that brings together NDPB's to secure efficiency and cost savings and deliver cross-cutting priority outcomes to enhance, preserve and protect the historic environment – total cost savings of £6.4m

## Problem/Need and Demand

The rationale for intervention is founded on a strong evidence base that can be summarised as:

- Bringing back the building into productive use.
- Delivering a dedicated space for skills training and education.
- Addressing skills gaps and shortages in the historic environment sector.
- Supporting community regeneration.
- Public sector reform and efficiency.

**Underutilised heritage asset in a prominent location** - the former AG Barr factory has been largely vacant since production ceased in the mid-1990's and between then and 2019 the building fabric deteriorated significantly. SC purchased the building in 2007, however, were unable to progress with initial plans for development - partly due to escalating costs and the commercial environment (exacerbated by the economic recession in 2008), prompting SC to explore alternative opportunities.

Starting in 2017/18, SC undertook fabric improvements to make the building wind and water-tight and addressed issues of lead paint, asbestos, and the impact of building vandalism. At the same time, SC also purchased PV panels and Air Source Heat Pumps to be installed as part of phase 2 works. The total cost of this initial phase was £3.65m with funding provided by SC and the RCGF.

The FGGD investment (which will leverage a further £3.7m from the NLHF) will support phase 2 of the project to bring the building back into productive use.

**Regeneration of the local area** - Camelon East, where the Centre of Excellence is located, is ranked in bottom 5% most deprived areas in Scotland (SIMD, 2020). The local communities of Tamfourhill and Camelon also suffer from poor environmental and economic conditions which result in a limited range of opportunities for local people compared to other neighbourhoods.

The project will help bring economic activity, jobs and a new training hub to the area.

**Delivering a Dedicated Space for Skills Training and Education** - HES currently operate from existing facilities in Stirling that, while functional, are increasingly constrained in terms of space.

These current workshop environments are insufficient to meet the growing demands of their daily operations, particularly in the areas of training, skill development, and conservation work.

As confirmed through the recent Skills Investment Plan (SIP) for the historic environment sector, the facility is still too small for the growth in provision that the sector requires.

The Centre of Excellence will accommodate the increasing operational need and foster opportunities for skill enhancement, knowledge transfer, and the preservation of traditional crafts. New training programmes and meeting spaces will allow the building to serve as a hub for upskilling whilst ensuring the continuation of Scotland's heritage.

Aligned with Scottish Governments public sector reform and community empowerment agendas, SC has ambitious plans to expand and formalise its volunteer training programme - both the number of volunteers they train directly ('public volunteers') but also providing training to canal societies and partners across their network - developing a "train the trainers network".

The Centre of Excellence will enhance capacity (to train more volunteers) and provide a dedicated space for training, engagement and education which will help get volunteers more engaged. Over the medium term this includes SC developing an accredited certification such as a SVQ.

**Addressing skills gaps and shortages in the historic environment sector** - for the last twenty years the skills required to sustain the future of the historic environment in Scotland have been on the verge of a crisis. Research identified that diminishing provision caused by inadequate funding in infrastructure and participation have eroded the capability of the mainstream Further and Higher education sectors in Scotland to provide the education and training that the sector requires. This has resulted in several outcomes:

- Loss of traditional, technical knowledge and expertise.
- Shortages of skilled labour which results in increasing costs.
- Sustained, accelerated decline in the condition of the historic environment, an inability to mitigate the impacts of, or adapt to, the consequences of climate change.

The SIP provides an overview of the skills demand, needs and shortages of Scotland's historic environment sector:

- 10,000 new jobs will be needed over the next decade to maintain and adapt Scotland's traditional building stock.
- 68% of employers surveyed anticipate skills shortages in next five years.
- 65% of employers noted a considerable or huge impact of traditional/specialist skills shortages on organisational growth.
- 73% of employers noted a 'lack of skilled and qualified people' as a driver for future skills/labour problems.

- 63% of employers identified skills gaps as having huge or considerable impact to the sustainability of their business.
- 41% of employers found attracting staff extremely challenging.

the Centre of Excellence will provide a dedicated space for training and education at all levels, including industry focused micro-credentials, at SQF 6 to 8 and Modern Apprenticeships.

It is important to note that partners having given careful consideration to ensure that the skills training activity being delivered is additional and complementary and does not duplicate or compete with any existing provision. Both organisations are the recognised training provider in their discipline (HES -traditional skills and SC - volunteer and employability related to canal management), are part of the FGGD skills subgroup, and participated in the skills mapping matrix for all FGGD projects. Across all FGGD projects this approach will ensure that there is no overlap and help identify areas of alignment and synergy.

**Public sector reform and efficiency** – the partners, SC and HES will relocate from existing not-fit-for-purpose, energy inefficient premises, to a bespoke hub to support their training activities and service delivery.

Consolidation of assets and operations into fit for purpose, bespoke, and energy efficient premises will help meet several business needs:

- Drive operational savings in leasehold costs, Non-Domestic Rates, energy and utilities and overheads, enabling more efficient and innovative working practices.
- Consolidate public sector premises and operations and more effectively maintain the canal network in Central Scotland.
- Support the reduction in scope 1 emissions (building heat and electricity and fleet emissions) and contribute to net zero targets.
- Create more efficient and innovative work practices in the historic environment sector by providing integrated and shared collaborative working space and a hub providing space for innovation and new manufacturing.

## Economic Case

A range of options have been developed and tested as part of the Business Case process. The preferred way forward is summarised as:

---

**Preferred Option:** The former AG Barr factory is redeveloped and fitted out to allow for the relocation of SC's maintenance, operations, and engineering staff and expansion and improvement in its professional and volunteering training provision. The redevelopment will enable the relocation of staff from HES's Stirling training centre and provide space for in-work professional training for traditional construction and heritage asset management skills and Modern Apprenticeships in Stonemasonry and Rural Skills.

---



**Tables 2 and 3** provide a summary of the economic analyses and demonstrate that the Centre of Excellence is forecast to deliver a good return for the public sector investment - the Net Present Social Value (NPSV) is:

- Falkirk £38.0m and a BCR of 2.6 | 1
- Scotland £53.1m and a BCR of 3.3 | 1.

**Table 2: Preferred Option - Cost Benefit Analysis**

	10-year Undiscounted (£m)	10- year Net Present Value (£m)
Capital	£13.4	£13.1
Revenue/ current	£7.7	£6.4
Third Party Public Sector Costs*	£0.0	£0.0
Carbon	£0.5	£0.5
Optimism bias	£3.8	£3.4
Total costs	£25.4	£23.5
<b>Less</b> cash releasing benefits	£3.1	£2.7
Costs net cash savings	£22.4	£20.8
Non-cash releasing benefits - Falkirk	£82.0	£58.9
Non-cash releasing benefits - Scotland	£105.3	£73.9
Non-cash releasing benefits - UK	£97.1	£64.5
<b>NPSV - Falkirk</b>	<b>£59.7</b>	<b>£38.0</b>
<b>NPSV Scotland</b>	<b>£83.0</b>	<b>£53.1</b>
<b>NPSV - UK</b>	<b>£74.7</b>	<b>£43.7</b>

Note: Figures in millions and rounded to nearest £0.1m and discounted at 3.5%.

**Table 3: Preferred Option Benefit to Cost Ratios**

	10-year		
	Total Benefit	Total Cost	BCR
Falkirk	£61.5	£23.5	2.6
Scotland	£76.6	£23.5	3.3
UK	£67.2	£23.5	2.9

Note: Figures in millions and rounded to nearest £0.1m and discounted at 3.5%.

## Commercial Case

The project includes both capital and revenue elements and therefore the procurement will comprise two distinct work packages for the capital works/goods and operational activity. Note that FGGD monies are capital only. All procurement opportunities will be tendered to ensure 'best value' for the public sector investment.

## Capital

The capital procurement approach includes two key appointments:

1. Robertson Construction under a Pre-Construction Services Agreement (PCSA) via the Procurement Hub Major Projects 2 Framework, providing pre-construction, design, and professional services up to RIBA Stage 4.  
Robertson's are being reengaged for delivery of the second phase, the services that will be procured include:
  - Construction – RIBA 5.
  - Handover and Close Out – RIBA 6.
  - In Use – RIBA 7.
2. Currie & Brown, appointed through the Scotland Excel Engineering and Technical Consultancy Framework (Ref: 0820) under an NEC4 Professional Services Contract (Pricing Option A), to provide project management, cost consultancy, principal designer, and employer's agent duties.

A Design and Build approach has been selected for the delivery of the the Centre of Excellence project to enable early contractor engagement and integrated planning. Under a Pre-Construction Services Agreement (PCSA) via the Procurement Hub Major Projects 2 (MPF2) Framework, Robertson Construction has worked collaboratively with SC, HES, and the appointed design team to shape and refine the project. This process has included early supply chain engagement and coordinated efforts to mitigate key risks before entering the construction phase.

## Service Procurement

The partners will recruit additional staff resources:

- SC - 2FTEs fixed term for 3-years to support delivery of the expanded volunteering and employability programmes.
- HES - 3FTEs fixed term for 3-years to support the training activity and delivery of the activity plan.

As part of the exit strategy and legacy after the NLHF funded element of the project is complete, SC and HES are seeking to make the positions/roles permanent and will be funded via their respective core budget allocation.

## Financial Case

### Costs

The total capital costs are £12.9m, which includes £3.65m already invested by SC in making the building wind and watertight and other works to make it safe (e.g. removal of asbestos).

Based on tender returns and RIBA stage 4 the remaining capital costs to bring the project forward are estimated at £9.3m.

**Table 4: Estimated Costs – Capital Works (£) summary table (2017/18 – 2026/27)**

Breakdown	Cost
Phase 1A+B: Building Fabric Construction and Externals	2,157,859
Phase 1C: PV & ASHP	238,987
Phase 1D: Project Development	363,447
Phase 2A: Ongoing Site Security	132,514
Phase 2B: LK16 Centre of Excellence Development	761,307
Phase 2C: LK16 Centre of Excellence Enabling Construction Works	218,001
<b>Sub Total</b>	<b>3,872,114</b>
Phase 2D: Work Package S015 - Utilities	
Phase 2D: Work Package S030 - Demolition and Downtakings	
Phase 2D: Work Package S100 - Groundworks (inc Tarmac Surfacing)	
Phase 2D: Work Package S100a - Tarmac Surfacing	
Phase 2D: Work Package S260 - Secondary Steelwork	
Phase 2D: Work Package S325 - Rooflights	
Phase 2D: Work Package S340 - Curtain Walling, Windows and Glazed Doors	
Phase 2D: Work Package S350 - Cladding - Fire Compliance	
Phase 2D: Work Package S355 - Masonry Brick Block	
Phase 2D: Work Package S360 - External Doors	
Phase 2D: Work Package S420 - Partitions and Linings	
Phase 2D: Work Package S425 - Sliding Moveable Walls	
Phase 2D: Work Package S430 - Ceilings	
Phase 2D: Work Package S450 - Doors and Ironmongery	
Phase 2D: Work Package S460 - Internal Glazed Screens	
Phase 2D: Work Package S465 - General Joinerwork	
Phase 2D: Work Package S470 - Manufactured Joinery - NA	
Phase 2D: Work Package S475 - Screeds	
Phase 2D: Work Package S480 - Architectural Metalwork	
Phase 2D: Work Package S490 - IPS / Cubicles	
Phase 2D: Work Package S510 - Ames Tape & Decoration	
Phase 2D: Work Package S530 - Soft Floor Finishes	
Phase 2D: Work Package S540 - Raised Access Flooring	
Phase 2D: Work Package S560 - Epoxy Floor Finishes	
Phase 2D: Work Package S575 - S570 Ceramic Tiling - Replaced with S575 Hygienic Wall Finishes	
Phase 2D: Work Package S600 - FF&E	
Phase 2D: Work Package S610 - Manifestation	
Phase 2D: Work Package S660 - Signage	
Phase 2D: Work Package S700 - MEP	



Phase 2D: Work Package S750 - BWICS	
Phase 2D: Work Package S802 - Road Markings	
Phase 2D: Work Package S820 - Soft Landscaping	
Phase 2D: Work Package S830 - Fencing	
Phase 2D: Work Package BW - Building Warrant Adjustments	
Phase 2D: VE Possible - S350 Cladding - Fire Compliance Works	
Phase 2D: VE Possible - MEP Overall target saving for alternative manufacturers	
Phase 2D: VE Possible - S750 BWICS	
Phase 2D: Design Team Fees VE Updates	
Phase 2D: Design Team Fees Other	
Phase 2D: Main Contractor Preliminaries	
Phase 2D: Main Contractor Overheads and Profit	
Phase 2D: RIBA Stage 5-7 Design Team	
Phase 2D: Risk/Contingency	
Phase 2D: Project Contingency	
Phase 2D: Inflation Allowance	
<b>Sub Total</b>	<b>12,324,922</b>
Phase 2D: Consultant PM (Stage 5/6)	
Phase 2D: Consultant PD (Stage 5/6)	
Phase 2D: Consultant QS (Stage 5/6)	
Phase 2D: Consultant EA (NEC4 Contract - PM & Supervisor) (Stage 5/6)	
<b>Sub Total</b>	<b>12,430,349</b>
Phase 2E: Scottish Canals - racking of warehouse	
Phase 2E: Scottish Canals /HES shared space furniture	
Phase 2E: HES - Workshop Fit Out	
<b>Total Project Costs</b>	<b>12,904,474</b>

The ongoing operational costs for the project cover all costs associated with the running of the building, staff resources, and delivery of training.



**Table 5: Expenditure Profile – Ongoing Revenue Costs**

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Total
Salaries	-	61,084	384,844	355,286	411,034	423,365	436,066	449,148	462,623	476,501	3,459,953
Oncosts – pension, NI, other	-	16,945	65,796	68,485	70,586	72,750	74,980	77,276	79,641	82,077	608,537
Maintenance	-	-	78,140	79,703	81,297	84,243	159,958	86,273	87,998	91,244	748,856
Utilities/Energy	14,873	15,171	148,007	151,448	154,970	158,574	162,263	166,039	169,904	173,859	1,315,110
Rates	70,319	71,725	45,000	45,900	46,818	47,754	48,709	49,684	50,677	51,691	528,278
Insurance	10,322	10,529	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	149,596
West Mains Relocation & Delap	-	-	167,545	-	-	-	-	-	-	-	167,545
Volunteer Programme	-	18,336	24,753	30,324	36,387	37,115	37,857	38,614	39,386	40,174	302,946
Training Support	-	-	18,335	19,252	20,215	20,619	21,031	21,452	21,881	22,319	165,105
Outreach & Engagement	-	-	26,494	27,818	29,209	29,793	30,389	30,997	31,617	32,249	238,568
Sector Workforce Development	-	-	28,420	29,841	31,333	31,959	32,599	33,251	33,916	34,594	255,912
Pre-Apprenticeship Programme	-	-	88,879	93,323	97,989	99,949	101,948	103,987	106,067	108,188	800,332
Revenue Project Contingency	-	-	-	132,012	132,012	-	-	-	-	-	264,024
<b>Total</b>	<b>95,515</b>	<b>193,791</b>	<b>1,091,214</b>	<b>1,048,693</b>	<b>1,127,456</b>	<b>1,022,041</b>	<b>1,122,037</b>	<b>1,073,282</b>	<b>1,100,603</b>	<b>1,130,127</b>	<b>9,004,760</b>

Note: Annual inflation included based on the GDP Deflator and OBR forecasts

The total (capital and revenue) costs of the project over the appraisal lifetime (2017/18 – 2034/35) is £21.9m.

## Income

In addition to requesting £4m from the FGGD and project partners' commitments, this has leveraged additional capital and revenue funding through RCGF and the NLHF to support delivery.

- RCGF capital- £2,122,000:
- NLHF - £3,717,625:
  - Capital - £2,300,000.
  - Revenue -£1,417,625.

**Table 6: Project Capital Funding (£) (2017/18 - 2026/27)**

Funding Sources	Status	Total	% of Total
FGGD	Expected December 2025 on approval of FBC	4,000,000	31%
RCGF	Confirmed - May 2018 and Uplifted September 2020	2,122,000	16%
NLHF (capital)	Confirmed - April 2025	2,300,000	18%
SC GiA Capital	Funding approved annually	3,199,269	25%
SC Fitout GiA Capital	Funding approved annually	269,525	2%
HES Capital	Funding approved annually	213,681	2%
HES Capital (Main Construction Contract)	Funding approved annually	500,000	4%
Falkirk Council/ Scottish Government discussion re support funding	Expected December 2025 (subject to change control approval)	300,000	2%
<b>Total</b>		<b>12,904,473</b>	<b>100%</b>

The capital funding drawdown will meet all the required costs.

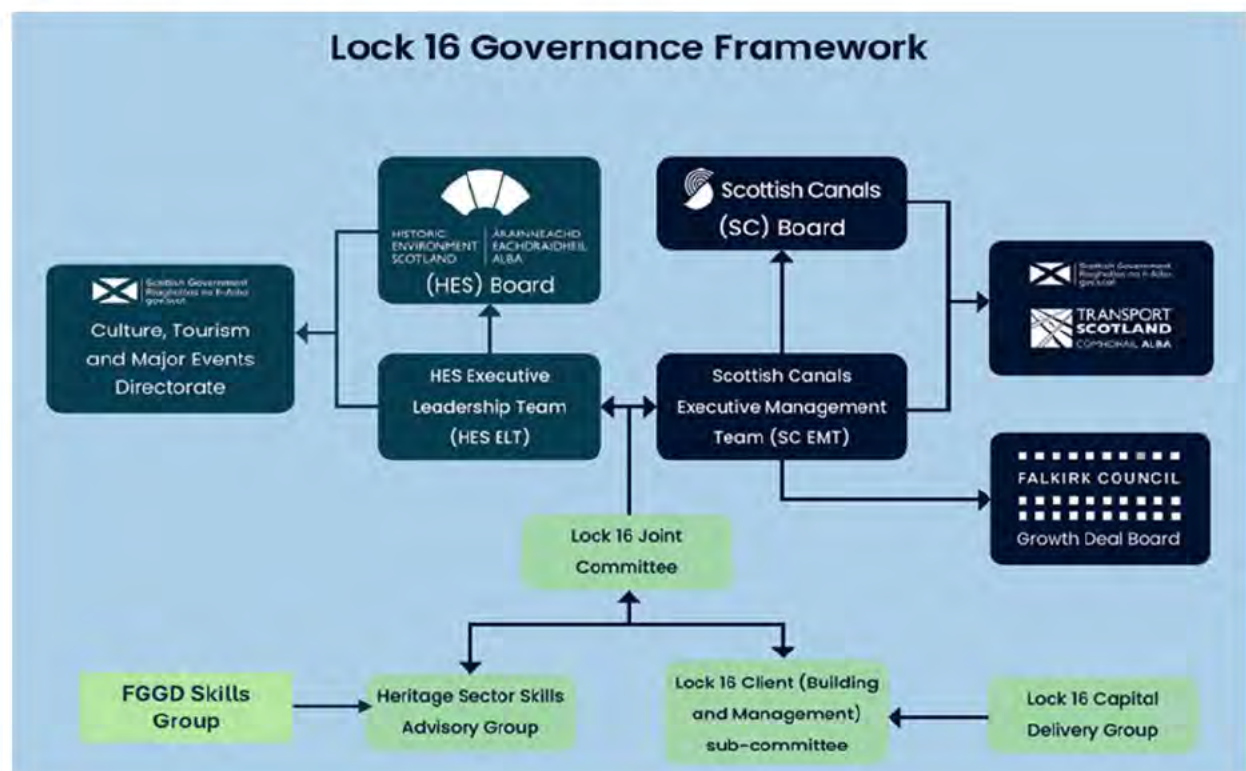


# Management Case

## Project Governance and Management

The project is being led and delivered by SC and HES, with SC leading the capital element of the project – an MoU and draft collaboration agreement that sets out the relevant details for the partnership was agreed and signed in December 2024. A new Heads of Terms lease agreement for the Centre of Excellence between SC and HES has been drafted (July 2025).

Figure 1: the Centre of Excellence Governance Structure



An experienced project team from SC and HES will be supported by a wider team of external professionals, see **Table 7**, over.

**Table 7: the Centre of Excellence Project Team**

Name	Role and Responsibilities
<b>Internal Team</b>	
SC Designated Project Lead and Project Sponsor: Richard Millar, Chief Operating Officer	<ul style="list-style-type: none"> <li>• Securing project financing and resources</li> <li>• Communication of the project to the wider Investment Zone Programme</li> <li>• Strategic direction and oversight</li> </ul>
HES Designated Project Lead: Dr. David Mitchell, Director of Cultural Assets	<ul style="list-style-type: none"> <li>• Securing HES project financing and resources</li> <li>• Communication of the project to the Historic Environment Sector</li> <li>• Strategic direction and oversight regarding historic environment skills development objectives</li> </ul>
SC Project Manager: Allana Hughes, Senior Development Manager	<ul style="list-style-type: none"> <li>• Project direction and oversight</li> <li>• Authorisation for approved change orders</li> <li>• Contract authorisation</li> <li>• Management of strategic stakeholders</li> <li>• Placement of direct purchase orders</li> </ul>
HES Project Manager: Colin Tennant, Head of Technical Conservation	<ul style="list-style-type: none"> <li>• Skills and training project direction and oversight</li> <li>• Project management and procurement of HES workshop fit out</li> <li>• Management of Heritage Skills Sector Advisory Group</li> <li>• Development and delivery of the Centre of Excellence Activity Programme</li> <li>• Integration with HES skills training programmes</li> </ul>
SC Head of Procurement: Elaine Robertson	<ul style="list-style-type: none"> <li>• Procurement management</li> </ul>
SC Head of People: Ken Fee	<ul style="list-style-type: none"> <li>• Oversight of volunteer and employability programme</li> </ul>
SC Head of Finance: Bianca Kirk	<ul style="list-style-type: none"> <li>• Financial management (Revenue and capital)</li> </ul>
HES Head of Financial Business Support: David Phillips	<ul style="list-style-type: none"> <li>• Financial management (Revenue and capital)</li> </ul>
<b>External Third-Party Team</b>	
Project Manager: Currie & Brown	<ul style="list-style-type: none"> <li>• Overall responsibility for design and procurement</li> <li>• Ensure project delivery meets the project objectives</li> <li>• Planning and co-ordinating the activities of the project team and administration</li> <li>• Updating the Project Execution Plan</li> </ul>
Quantity Surveyor: Currie & Brown	<ul style="list-style-type: none"> <li>• Cost management</li> <li>• Cost planning</li> <li>• Cost reporting</li> <li>• Cost control</li> </ul>
Design and Build Contractor: Robertson Construction Ltd	<ul style="list-style-type: none"> <li>• Design coordination and input</li> <li>• Quality inspections to meet project requirements</li> <li>• Delivery of construction and site works</li> </ul>
Outline Business Case Consultant: EKOS Ltd	<ul style="list-style-type: none"> <li>• Developing project business case in line with Growth Deal requirements and UK Government Green Book</li> </ul>

Principal Designer: Currie & Brown	<ul style="list-style-type: none"> <li>Defined legal responsibilities under the Construction Design and Management Regulations 2015</li> </ul>
Employers Agent: Currie & Brown	<ul style="list-style-type: none"> <li>Undertaking the roles of Project Manager and Supervisor under the NCE4 contract</li> </ul>
Architect: Holmes Miller Architects	<ul style="list-style-type: none"> <li>Building and layout design</li> </ul>
Structural Engineer: Narro Associates	<ul style="list-style-type: none"> <li>Structural design</li> <li>Supervision during installation of certain structures</li> </ul>
M&E Engineer: RSP	<ul style="list-style-type: none"> <li>Mechanical and engineering design</li> </ul>
Transport Consultants: Systra	<ul style="list-style-type: none"> <li>Transport planning</li> </ul>
Landscaping Consultants: Land Use Consultants (LUC)	<ul style="list-style-type: none"> <li>Landscape design</li> </ul>
Acoustic Consultant: Robin Mackenzie Partnership	<ul style="list-style-type: none"> <li>Acoustic design</li> </ul>
Fire Engineering Consultant: Jensen Hughes	<ul style="list-style-type: none"> <li>Fire engineering advice/design</li> </ul>

## Project Timescales

The key milestones for the capital works are:

**Table 8: Capital Build Out**

Milestone	Start	End
<b>Capital works</b>	<b>April 2024</b>	<b>April 2027</b>
<i>Design development</i>	<i>April 2024</i>	<i>April 2025</i>
<i>Consents</i>	<i>November 2024</i>	<i>October 2025</i>
<i>Procurement</i>	<i>January 2025</i>	<i>August 2025</i>
<i>Construction</i>	<i>February 2026</i>	<i>December 2026</i>
<i>Relocation</i>	<i>SC - February 2027 HES - February 2027</i>	<i>SC - May 2027 HES - May 2027</i>

## Benefits Realisation

The partners have developed a project-level BRP that includes a logic model and indicator framework to support the gathering and reporting of evidence to ensure that they comply with all required benefits realisation reporting and monitoring and evaluation tasks. **Table 9** summarises the key indicators that partners will report and measure progress against.

**Table 9: Monitoring and Evaluation KPIs**

Indicator	Source of Data	Measure
<b>FGGD Regional Measures</b>		
Total Funding	Approved Business Case	£'s forecast and actual (by project, by theme)
Leveraged Funding - Public	Approved Business Case	£'s forecast and actual (by project, by theme)
Construction employment	Project Procurement	Value (£) by core theme Value (£) by project
Construction contracts	Project Procurement	Person Year Equivalent: by theme and by project
Jobs created	Engagement with businesses and others accessing support from the project	Count
GVA created	SRO/Project leads to provide input data that will inform the GVA model	£ total and average per employee
Development Space Unlocked	End of Project Report/ construction completion certificate	Ha
Participation in education	End of project report / monitoring	Number of people (and Falkirk residents) participating (enrolled) in education and training
Qualifications	End of project report / monitoring	Number of people (and Falkirk residents) gaining qualifications
Project Carbon Category	Project leads to provide input data that will inform the carbon impact model	Categorised following SCRGD Carbon Categorisation Guidance
Construction Carbon	Project leads to provide input data that will inform the carbon impact model	(£/tonne per year and by project
Operational Carbon	Project leads to provide input data that will inform the carbon impact model	(£/tonne per year) and by project
<b>Project Specific Measures</b>		
Access to apprenticeships and/or traineeships	Number of training weeks completed	Number of training weeks completed
Greater awareness of the historic environment and heritage sector	Number of school visits and engagement events held	Number of school visits and engagement events held
Positive destinations	% of students moving on to positive destination (employment, education, training)	% of students moving on to positive destination (employment, education, training)
More trained volunteers	Count/number accessing volunteer training	Count/number accessing volunteer training
Skills and labour demand met in Falkirk	Number of businesses reporting a traditional skills gap	Number of businesses reporting a traditional skills gap

## Commitment to Equality, Diversity and Inclusion

Both SC and HES are committed to ensure equal access to education, training, and volunteering, opportunities that will be available through the project. An overview of our principles and broad approach which will extend to Lock are presented below.



[HES Heritage for All](#) - Historic Environment Scotland is working hard to improve access and widen participation in Scotland's historic environment.

We believe everyone should be treated fairly and that no one should be denied opportunities or discriminated against because of factors such as their age, disability, gender re-assignment, race, religion or belief, sex, sexual orientation, marital status or pregnancy.

We also acknowledge that the heritage workforce is not as ethnically and culturally diverse and does not represent the demographic make-up of modern Scotland. We commit to taking steps to address this lack of diversity in the workforce. Heritage is for all and there should be opportunities for individuals of all backgrounds to learn skills and have a rewarding and progressive career in the historic environment sector.

To make this possible, we:

- Collaborate with external partners [such as Young Scot](#), Additional Support schools, disability advocacy groups, LGBTQI+ organisations like [LGBT Youth Scotland](#), and Black, Asian and minority ethnic heritage organisations. With the support of our partners, we are reducing barriers and giving everyone a voice on issues that affect them.
- Work to make Scotland's historic places and collections, and our information and services, accessible and inclusive to everyone. Our regularly updated [Access Guide](#) and our [British Sign Language \(BSL\) tours](#) are just two examples of how we are doing this.
- Promote accurate, representative stories from every part of Scotland's history. From exhibitions celebrating [women's history](#), crowd-sourcing [people and places from LGBT history](#), and commemorating [contributions to Scotland's society](#) by providing a platform for hidden voices to be shared and celebrated as part of Scotland's diverse history.

**Scottish Canals** is committed to equal opportunities, treating everyone fairly and considerately. At the same time we respect and value people's differences, and understand that a diverse workforce can make a more effective contribution to the canals and their communities.

As outlined in the People Strategy (2023-28), SC articulate a vision for the workforce as "*a richly diverse group, inclusive of people of many abilities*" who collaborate effectively and leverage advanced technologies, while prioritising safety, wellbeing, and learning in pursuit of excellence.

More broadly SC EDI and related policies are under review and will be published when formally adopted.

# 1 Strategic Case

---

The historic built environment sector faces a skills crisis, with an ageing workforce, outdated qualifications, limited regional access, and unsustainable funding models. Rising costs have stifled innovation and left much of Scotland without vital training to preserve heritage and support the transition to net zero.

This Full Business Case (FBC) has been prepared by the project partners, Scottish Canals (SC) and Historic Environment Scotland (HES) and is requesting capital funding of £4 million from the Falkirk Growth Deal to support the development of '**Lock 16 - Scotland's Centre of Excellence for Canals and Traditional Skills**' which will establish an operational base for Scottish Canals Lowland canals operations and provide the largest single space in Scotland, dedicated to the development and delivery of high-quality traditional and heritage skills training.

The project involves the regeneration of the former AG Barr building in Camelon, Falkirk to establish an accredited training hub to expand traditional skills and volunteer training (upskilling, reskilling and transition) for maintaining Scotland's built and canal heritage.

Phase one of the project is complete, with SC having invested £3.65m to regenerate the site and make the building wind and watertight. Phase two has secured an additional £3.7m from the National Lottery Heritage Fund (NLHF). Combined with funding from the Falkirk and Grangemouth Growth Deal (FGGD), Lock 16 will focus on building a sustainable, multi-generational system for skills development and pathways, supporting long-term economic and community growth. Lock 16 has the overall ambition to:

1. Preserve Scotland's heritage.
2. Regenerate and strengthen communities.
3. Open opportunities for diverse learners to engage in traditional and canal-related skills.

## Project Deliverables

The project aims to deliver against its ambition through:

- Creating a new consolidated operational hub for SC to support the Lowland Canals.
  - Relocation of SC Canal operations, maintenance, and engineering base.
- Creating a dedicated national hub and centre of excellence that will provide classroom, workshop, networking, and engagement/outreach space. The hub will offer the right blend of functional space by integrating workshops and 'hands on' training space with digital innovation and e-learning:



- Relocation and consolidation of HES Skills Training Centre (which is currently delivered from the Stirling Skills Centre at Cunningham Road, Stirling) to enhance capacity within the existing Modern Apprenticeship programmes for stone masonry and rural skills.
- Establish a new dedicated hub for SC volunteer and employability training.
- Delivering a programme of outreach engagement to inspire people to get involved and volunteer in the historic environment.
- Creating and delivering new accredited workforce micro-credentials to enhance the capacity and capability of the historic environment and heritage sector:
  - SCQF 8: Planning, Surveying and Recording the Condition of Built Assets for Conservation.
  - SCQF 6: PDA: Repair and Maintenance of Traditional Masonry Structures.

## Definition of Traditional and Rural Skills

To assist the reader, the following definitions are provided.

'Traditional' and 'heritage' skills are an umbrella term as defined as those required to conserve, adapt, manage, protect, maintain, and repair an historic environment asset. This includes skilled crafts such as stonemasonry, blacksmithing, carpentry, timber framing, plasterwork, traditional roofing (slating and thatching), architectural and ornamental metalwork, and waterway maintenance. Training provision in traditional and heritage skills straddles between elements of formal, regulated training provision for crafts such as Stonemasonry and Roof Slating, to the informal and unregulated areas of thatching, earth building and metal conservation.

Rural Skills within the context of this business case refers to an area of vocational skills that straddle the natural and historic environment, that provide entry-level training and employment opportunities within HES and SC and other similar heritage sector organisations. Skills include habitat management, grounds maintenance including basic construction skills such as fencing, pathways, as well as general building conservation skills such as repointing, traditional roof repairs and monument consolidation. The Rural Skills Modern Apprenticeship is at SCQF 5, providing opportunities for candidates to move on to higher level MAs or other training in Construction Crafts, Heritage Skills and Environmental Conservation.

### 1.1.1 Organisational Objectives

The project will be delivered in partnership between SC and HES, with SC taking the lead role for management and delivery of the capital build element and HES leading the training and skills programme – further detail is provided in **Section 6 Management Case**.

The partnership is supported by a Memorandum of Understanding (MoU) and collaboration agreement which sets out the specific terms and roles and responsibilities of the partnership (**Appendix A**). The proposed investment in the project supports the delivery of objectives across both organisations.

## Scottish Canals

Scottish Canals is a Non-Departmental Public Body (NDPB) responsible for the management and maintenance of Scotland's historic canal network. However, our role goes beyond ensuring safe navigation and preserving heritage; it also encompasses maximising the canals' potential as a vibrant resource for people, heritage, and nature.

Scottish Canals manage a wide range of historic assets and structures critical to Scotland's infrastructure and tourism. Our responsibilities include:

- 19 reservoirs and over 4,100 engineering structures.
- 140 miles of canal towpaths and 90 locks.
- 253 bridges, 5 lighthouses, and 560 moorings.
- 104 properties.
- Iconic landmarks such as the Kelpies and Falkirk Wheel - the world's only rotating boat lift.

Guided by the new [Better Lives by Water, Corporate Plan 2023-2028](#), Scottish Canals is committed to delivering its vision:

---

"Investing in Scotland's canals to generate lasting benefit for people and communities to create vibrant canals for people, heritage and nature".

---

The plan identifies four key priorities.

- Explore and experience.
- Places and spaces.
- Canals for the future.
- People and business.

The project will make a significant contribution to the **Places and Spaces** priority which highlights the important role of regeneration and placemaking as a mechanism to improve wellbeing and creating sustainable and inclusive growth. The strategy identifies the key activities that will enable SC to deliver its aims and objectives – making better use of canal assets, waterways, heritage buildings and underutilised land, SC will make a tangible difference to quality of life for people and communities.

Places and spaces		
Acting now we will	By 2028, we will have	In 2033, we anticipate
Deliver our agreed partnership commitments, and produce a clear stakeholder and partner engagement plan with an associated Fundraising Strategy.	An active third-party funding pipeline which supports the delivery of partnership objectives.	Delivering projects co-designed and developed with communities and partners which supports community wealth building and improves quality of life.
Agree priority outcomes from our existing masterplans and community engagement works across the network.	Collaborated with partners to co-invest in places aligned with an agreed programme of shared and complementary priorities.	Implementing projects in priority locations along our network which supports regeneration, new high quality homes and community/business hubs.
Set out our strategy for customer facilities across our network linked to transit and moorings plans.	Completed a programme of facility improvements and investment, taking account of local settings and lessons learned.	Delivering new high quality facilities which are accessible and meet the needs of visitors.
Reappraise all of our vacant assets and identify priority options, which optimise community outcomes alongside operational requirements and income generation opportunities to reinvest into Scotland's canal network.	Secured funding to bring priority properties back to life.	All vacant properties being fully utilised and have fully optimised our operational estate.

Source: SC Corporate Strategy

In addition, the [SC Asset Management Strategy \(2018-2030\)](#) sets out the plans for managing our investment, directing resources to priority works to address safety and public value. The AG Barr factory building was listed within the organisation's asset register as vacant and derelict for over 20 years, and significant works to secure the long-term future of the former factory have already been undertaken by SC. Phase 1 successfully addressed the deterioration of the building, ensuring that the building shell is wind and watertight and compliant with modern safety standards.

## Historic Environment Scotland

HES is a NDPB, and the lead public body set up to investigate, care for and promote Scotland's historic environment.

[HES Corporate Plan, Heritage for All, 2025-2028](#) details HES's strategic objectives and goals for 2025-2028. The strategy sets out five key principles:

- Heritage is for everyone.
- We will work with others.
- We will focus our work on the areas where we can make the most impact.
- We will find new ways of doing things.
- Data and information are vital to everything we do.



A key objective of the project is to help deliver public sector reform and importantly, three of the key principles have a focus on reform:

- Working with others – partnering with Scottish Canals based on shared cross-cutting objectives and a desire to driver efficiency and costs savings.
- Focus our work on the areas where we can make the most impact – prioritising investment in areas where HES are a leading organisation such as delivering training and education for traditional and rural skills.
- Finding new ways of doing things – looking for opportunities to recue costs (relocating to a purpose build facility with lower lease costs) and generating income - offering training to the private sector.

[Our Past, Our Future](#) is Scotland’s strategy for the historic environment and emphasises the stewardship of Scotland’s historic environment in a way that balances protection, public benefit, sustainability, and innovation.

Through conservation, research, community engagement, and responsible tourism, HES aims to ensure that Scotland’s rich heritage endures as a vibrant resource for current and future generations.

The strategy has three core priorities with several supporting outcomes:

### **Delivering a net zero transition**

- Reduced emissions from the historic environment.
- The historic environment is more climate resilient.
- Improved pathways for historic environment skills.

### **Empowering resilient and inclusive communities and places**

- Organisations that care for the historic environment have the right skills and are more resilient
- Communities have more opportunities to input into decisions about their historic environment
- The historic environment is more diverse and inclusive.

### **Building a wellbeing economy**

- The historic environment makes a responsible contribution to Scotland’s economy.
- The historic environment provides fair work.
- Improved wellbeing through engagement with the historic environment.

Skills is a cross-cutting priority, both improving/enhancing pathways into the sector, and ensuring those that are involved with the sector have relevant skills and access to training are key components of the strategy.

## The Partnership

Scottish Canals and HES are both major asset managers of heritage assets and provide public benefit through access and engagement. The organisations share many cross-cutting objectives with a focus on the stewardship of cultural heritage assets across Scotland from properties and scheduled ancient monument infrastructure to collections, archives to intangible cultural heritage, providing public access, and delivering revenue generating activity which supports their corporate objectives. For example, the Canals network itself is over 200 years old and is a scheduled monument.

As two public bodies working and facing similar challenges to bring a shared understanding of the relevance and significance of Scotland's cultural heritage to communities and visitors alike, it is logical and beneficial for both parties to collaborate for public benefit and the benefit of the wider historic environment.

The overarching aim of this collaboration is for HES and SC to work together to:

- Ensure effective management of cultural heritage assets.
- Facilitate traditional skills training in the long term.
- Work efficiently and effectively in accordance with public services reform, thereby realising benefits for both parties and for Scotland.

With respect the final point, we believe that through the project we can act as a demonstrator of good practice for public sector reform.

We confirm that SC and HES are the most appropriate bodies to lead the delivery of the project through a partnership arrangement.

## 1.2 Strategic Need

The Lock 16 Project has demonstrated a strong fit with, and contribution towards relevant national and regional policy priorities – specifically focusing on regeneration and skills development, ensuring that there is accessible traditional skills and training provision to meet the growing sector needs and demand. Additionally, the Project will enhance skills development opportunities to the Falkirk area and broaden the skills pathways.

## 1.2.1 National Policy Fit and Contribution

### UK Government Plan for Change - Milestones for Mission-Led Government

The [UK Government's missions for change](#) are set out by the UK Government to achieve by the end of this Parliament. The missions include:

- Strong Foundations.
- Kickstarting Economic Growth.
- An NHS Fit for the Future.
- Safer Streets.
- Break Down Barriers to Opportunity.
- Make Britain a Clean Energy Superpower.

The Project contributes to the [Strong Foundation](#) and [Breaking Down Barriers to Opportunity](#) missions by developing a resource for skills development, enhancement and opportunities. In turn, this will support the development of a skilled workforce and increase job opportunities for those within Scotland's historic environment sector.

### UK Modern Industrial Strategy

The [new industrial strategy](#) is a 10-year-plan to make it quicker and easier to invest and expand in a more competitive, secure and resilient economy. It will strengthen infrastructure, reduce costs for businesses and simplify regulation, providing the stability and ease you need to make long-term investment decisions.

The project will help support the 'Enhance skills and increase access to talent' theme by providing a range of training and upskilling provision for students and industry and also future proof the supply chains required to deliver the required infrastructure enhancements.

### Equality, opportunity, community - New leadership - A fresh start

[Equality, opportunity, community - New leadership - A fresh start](#) presents the Scottish Government's Strategic mission for 2026, and outlines three key missions:

- Equality: Tackling poverty and protecting people from harm.
- Opportunity: A fair, green and growing economy.
- Community: Prioritising our public services.

The strategy highlights the variety of Scotland's skill provision and available skills pathways, noting this as a key strength. For 2026, the strategy notes a need to develop a more responsive and agile skills system that can meet the needs of Scotland's employers.



The Project supports this mission by developing a hub for traditional skills training that ensures there is provision and pathways available to upskill, reskill and skill new entrants with the necessary traditional skills to meet sector needs and demand.

## Scotland' National Strategy for Economic Transformation

Figure 1: Our Vision, Ambition and Programmes of Action for Scotland's Economy by 2032



### Scotland's National Strategy for Economic Transformation (NSET) was

published in March 2022 and outlines the priorities for Scotland's economy as well as the actions needed to maximise the opportunities of the next decade to achieve our vision of a wellbeing economy.

Specifically, we would note that the city region and growth deals are highlighted as key enablers under the

*Productive Businesses and Regions* programme of action.

The Project contributes to NSET by providing a national hub and centre of excellence for training and development within the Falkirk area. It also contributes to the **Skilled Workforce** programme of action, which aims to ensure that people have the skills required to have rewarding careers and that employers are able to invest in the skills necessary to ensure a suitably skilled workforce which encourages business growth.

## National Performance Framework

The **National Performance Framework** (NPF) underpins delivery of the Scottish Government's agenda and aims to 'measure national wellbeing beyond GDP'. The Framework's 11 national outcomes (NOs) use 81 national indicators to measure progress and evaluate Scotland's performance. The Project meets several of the national outcomes including, in particular:

- **Education** – the education indicators focus on educational attainment, skill shortage vacancies and workplace learning, amongst others. These indicators work toward ensuring that Scotland's population is well educated, skilled and can contribute to society and labour market demand.
- **Environment** – the 'state of historic sites' indicator focuses on the percentage of historic dwellings which have disrepair to critical elements. This indicator works to ensure that Scotland's environment is valued, enjoyed, protected and enhanced.

Through creating a hub for traditional and heritage skills training, the project will help ensure that the workforce can respond to changing sectoral needs and demand. Additionally, an increase in individuals with these skills will positively impact the state of Scotland's historic sites by ensuring that there is a skilled workforce able to carry out necessary repairs maintenance, and enhancements – securing some of Scotland's most important heritage assets for future generations.

## National Planning Framework 4

The [National Planning Framework 4](#) (NPF4) provides a framework for the spatial development of Scotland. The strategy will support the planning and delivery of:

- Sustainable places, where we reduce emissions, restore and better connect biodiversity.
- Liveable places, where we can all live better, healthier lives.
- Productive places, where we have a greener fairer and more inclusive wellbeing economy.

One of the key priorities of the NPF4 is to [seize the opportunities to grow the blue and green economy, recognising the world-class environmental assets that require careful management and opportunities to develop skills and diversify employment](#). The project will work towards this priority by developing a hub for skills development and training that encourages the development of a skilled workforce for Scotland's historic environment sector, allowing for the continued maintenance and upkeep of Scotland's heritage assets.

## National Lottery Heritage Fund Scotland

The [NLHF](#) provides grant funding for a range of heritage projects based on the following investment principles:

- Saving heritage: conserving and valuing heritage, for now and the future.
- Protecting the environment: supporting nature recovery and environmental sustainability.
- Inclusion, access, and participation: supporting greater inclusion, diversity, access, and participation in heritage.
- Organisational sustainability: strengthening heritage to be adaptive and financially resilient, contributing to communities and economies.

Scottish Canals and Historic Environment Scotland are confident that their intention to establish Lock 16 as Scotland's Centre of Excellence for Traditional and Heritage Skills Training, combined with a new operational base for the management of the Lowland canal network, meets all the four investment principles, at both a national and local level.



## Community Wealth Building Bill

The project has embraced the overarching principles outlined in the [Community Wealth Building Bill](#) which seeks to ensure consistent implementation of the CWB model of economic development across Scotland and address economic and wealth inequality between individuals and communities by facilitating and supporting the generation, circulation and retention of more wealth in local and regional economies.

The project has been developed to reflect the key principles of CWB and where feasible and appropriate, will seek opportunities to maximise the benefits and impacts that are retained within the Falkirk and Grangemouth area. We would note our intended approach to<sup>2</sup>:

- Progressive procurement - through the use of specific community benefit clauses with the main and associated subcontractors.
- Fair employment - both SC and HES are Living Wage employers, and this will be a requirement for the capital construction works.
- Socially productive use of land and assets - Lock 16 will be a mixed-use space that supports employment but also offers training, skills and volunteering opportunities for local people.

## Scotland's Public Service Reform Strategy – Delivering for Scotland

The new [Public Service Reform Strategy](#) sets out commitments to change the system of public services - to be preventative, to better join up and to be efficient - in order to better deliver for people.

Public sector reform is a key deliverable of the project and will achieve this through:

- Cultural Change and Public Sector Leadership (Foundations: Workstream 1 Leadership and Cultural Change) - this project is a model of innovation and collaborative leadership, breaking down silos between heritage and infrastructure agencies to co-produce sustainable, locally delivered training programmes.
- Investment in Skills, Prevention and Place (Foundations: Workstream 3 Empowering People, Places and Communities) - Lock 16 Centre of Excellence offers accredited traditional skills training in heritage repair, maintenance, and environmental stewardship. Building local capacity, employability, and community resilience while maintaining vital canal infrastructure.

---

<sup>2</sup> Please note that the bullets are indicative and not exhaustive. Project partners will work with stakeholders to develop approaches once the project is approved and commenced.

- Joined-Up Public Services and Partnership Delivery (Pillar 2 Joined up services: Workstream 9 Local integration strengthening Community Planning and realising the potential of the third sector) - the project embodies the “joined-up” ethos, with two NDPBs co-locating not just for efficiency, but to co-deliver mission-aligned services that are tailored to local economic, environmental, and heritage contexts.
- Shared Use of the Public Estate (Pillar 3 Efficient Services: Workstream 18 Single Scottish Estate) - this project operationalises this commitment by bringing together two NDPBs in one integrated facility, maximising public value, avoiding duplication, and improving user access.

## Place Making and Regeneration

The Scottish Government and Convention of Scottish Local Authorities (COSLA) have agreed to adopt the [Place Principle](#) to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment. The Place Principle supports the National Performance Framework’s collective purpose for Scotland. This project seeks to advance the Place Principle by developing and demonstrating the Place Principal Investment Framework.

This is a coordinated approach based on collaboration across the public, private and third sectors that makes connections between the physical, social and economic dimensions. Placemaking is fundamental in the transformation of the area and will pull together key community, social and economic components that are essential to successful transformational regeneration and is at the heart of building sustainable communities.

Lock 16 will be the first significant place-based investment within the community for several years, helping to restore an iconic building back into productive use, supporting new employment and relocation of a wide range of skills and volunteer training activity to the area.

## Fit for the Future: Developing a post school learning system to fuel economic transformation: Skills Delivery Landscape Review

The [Fit for the Future](#) report was published in 2023 and provides a review of the skills delivery landscape in Scotland. The report identifies the priorities for Scotland’s future skills delivery landscape.

Within this, regional autonomy is highlighted as a key priority, with a need for identifying local skills needs and planning provision in a way that will meet the skills needs of the local community and employers. In doing so, it is important to recognise the role of providers (e.g., colleges, local authorities and businesses) in shaping skills provision for the area.

## 1.2.2 Regional and Local Policy Fit and Contribution

### Falkirk and Grangemouth Growth Deal

The [Falkirk and Grangemouth Growth](#) Deal has been allocated £100 million from the UK and Scottish Government to support existing local industries and develop new opportunities for workers in the region. With additions from Scottish Canals (£3.7 million) and Falkirk Council (£45 million), the overall Growth Deal investment totals £148.7 million.

It is forecast that over a 30-year period the Growth Deal will provide £628 million in economic benefit and an employment impact of 1,660 net jobs within the Falkirk Council area. It is also expected that there will be more visitors to the area; improved connections; and greater investment across Falkirk Council.

The Growth Deal seeks to address socio-economic challenges through:

- Enabling inclusive growth, investment and innovation.
- Generating new, higher value jobs.
- Enhancing connections.
- Enabling sustainable and competitive places.
- Promoting community inclusion.
- Contributing to a low carbon economy.

As part of the Growth Deal, Lock 16 will invest £4 million of capital which will help leverage a further combined match funding of £3.7m from NLHF to restore three derelict warehouses at Lock 16 on the Forth and Clyde Canal, providing *'a new operational hub with integrated and shared collaborative working spaces and facilities'*. This will provide a centre for traditional skills training and the MA in Stonemasonry and rural skills within the Falkirk area. In doing so, the Project will increase the availability of training provision within the Falkirk region and enhance the pathways and employment opportunities for those in and around the area.

Lock 16 complements other related Falkirk Growth Deal projects such as the Art Park and the Central Sustainable Transport Hub and Green Travel Corridor projects. Cumulatively these regeneration, cultural, connectivity improvement and economic development projects can have a positive impact for the local economy and community in Falkirk – see below for further details.

### Regional Skills Assessment – Falkirk Growth Deal

The [Regional Skills Assessment](#) for the Falkirk Growth Deal area provides an overview of skills needs, requirements and challenges in the area, to ensure targeted skills investment planning.

Construction employs c. 6,000 in the Falkirk Growth Deal region, accounting for around 30% of total employment. Additionally, construction businesses make up the largest proportion of businesses within the Growth Deal region (14.7%). It is projected that in the long-term (27-2034) there will be a total requirement for 1,500 individuals to enter the construction sector who will require to have a broad range of training to be able to support the changing demand of the sector, for example, ranging from traditional skills to green energy systems.

The project will support individuals to gain traditional skills and allow for upskilling and reskilling to support the requirements of the construction sector within the Growth Deal region.

### **Building a Fairer Falkirk**

In Falkirk, the local authority's approach to addressing inclusion and equalities is set out in a strategy developed by the Falkirk Community Planning Partnership, [Building a Fairer Falkirk 2024-2029](#).

The goal of the strategy is to ensure that:

- People are well informed about how they can maximise their income and reduce their living costs.
- People can access the opportunities and integrated support they need to enter, sustain and progress into and within fair work.
- Transport is affordable, available and convenient.

This strategy aims to mitigate the impact that poverty has on individuals, families and communities in the local area, with a vision for an inclusive, fairer Falkirk, with equality and equity of opportunity for all. Lock 16 has a strong strategic fit with the Scottish Governments Inclusive Economic Growth ambitions and will contribute towards a more diverse and vibrant economy through local job creation and enabling high quality training. It will also achieve a wide range of supporting outcomes across economic development; placemaking; improving civic and community assets; safety; business and enterprise; and education and skills development.

The report highlighted that in Falkirk, the employment rate was 73.3%, compared to the national average (75.2%). There is also high vacancy demand in the area, primarily in low paid industries (e.g., care, clerical, etc.). The strategy focuses on supporting those facing long term unemployment and low earners.

The strategy also focuses on the need to deliver employability support, and work in partnership with local and national employers to ensure local people can access work and progress in their careers. Falkirk Council aims to do so by engaging with employers to increase skills development opportunities for local people and ensure there are employment opportunities for people within Falkirk.



The Project will contribute to the aims of the Building a Fairer Falkirk strategy by providing greater skills provision for traditional skills within the Falkirk area, giving residents opportunities to access local training provision and gain skills to enter the sector, upskill or reskill and progress in their career.

### Links to Other Falkirk Growth Deal Projects

The project has been designed to complement and link with several of the projects being developed through the Growth Deal. While the specifics of any future collaboration and partnership are still to be developed, we have provided an initial view of the potential synergies:

- FVC, Skills Transition Centre - there is the potential for the partners to access the specialist kit and equipment such as VR/AR and digital classrooms. This could help enhance training and support remote delivery (partners would still need to purchase/licence software) – increasing the geographic reach of the training element.
- Falkirk Central Sustainable Transport Network - the green cycling and pedestrian network (which joins the canal towpath) will be linked to the Rail Station and Interchange Hub. This will support and encourage users of Lock 16 to use active travel or public transport and help reduce journeys by private transport.
- Scotland's Art Park - the project will create an Art Park trail along the Forth and Clyde Canal. The projects will help remove dereliction and environmental blight from within one of Falkirk most deprived communities and help regenerate the area and enhance civic pride through investment local people can 'see and touch'.
- Transport, Renewables and Career Exploration Hub (TRACE) - the Hub that will serve as a focal point for industry and education, enhancing local skills and advancing green growth ambitions. There is potential to dovetail the outreach work to ensure a coordinated approach to engaging with local people but also any targeted or disadvantaged groups.
- Greener Grangemouth - is the emerging community-led, place-based transition programme that seeks to support environmental improvement, climate action, and economic renewal—addressing local priorities identified by residents, businesses, and community group. Please note that as the programme is being developed there are no firm project proposals. As these emerge and are refined, project partners (co-ordinating through the FGGD governance structure) will look for opportunities for collaboration and alignment, particularly in project where there are cross-cutting objectives such as community-led regeneration.
- Links with the FGGD Skills Group - the skills Steering Group exists under the wider FGGD framework. This group brings together key partners and regional stakeholders to take a collaborative approach to addressing local skills need. Issues for discussion include:
  - Skills gaps.

- Training needs.
- Lifelong learning.
- Employer engagement.
- Policy recommendations.
- Opportunities for collaboration.

The group meets regularly where an agenda item is to discuss progress and updates – this helps to ensure synergy and limits duplication across projects. The partners will continue to engage with this group throughout design, implementation, and delivery.

## 1.3 The Case for Change

### 1.3.1 SOC to FBC: Strategic Evolution

Since submission of the Strategic Outline Case, the Lock 16 project has evolved significantly in response to continued stakeholder engagement, a shifting funding landscape, and an increasingly targeted approach to social impact.

Where the SOC originally proposed a tourism-focused model including visitor facilities, exhibition spaces, and ambitions around dwell time and economic uplift, the current proposition and FBC now reflects a clear pivot to a skills, training, and volunteering/employability-led regeneration model.

This revised direction better reflects the priorities of the Camelon and Tamfourhill communities, and more strongly aligns with local and national strategies on inclusive growth, and CWB

The FBC reflects this strategic refinement, with emphasis on:

- Delivering accredited training in traditional canal and built environment skills.
- Establishing progression pathways from volunteering to employment.
- Providing equitable access to skills development for local communities.
- Supporting heritage-linked employability through practical, hands-on learning.

While elements linked to public realm improvement and active travel connectivity remain, as part of the wider Scottish Canals network, the ambition to create a visitor attraction in its own right has been consciously set aside. Instead, heritage and history are retained as thematic drivers of place identity and training content not as commercial tourism products.

This change enhances:

- Strategic alignment with Scotland's national outcomes and FGGD objectives.
- Long-term operational resilience, by reducing reliance on visitor revenues.

- Social impact, with clear benefits for people, place, and participation.

In summary, Lock 16 is no longer positioned as a canal-side destination but as a nationally significant centre for learning, making, and community engagement, grounded in heritage, but focused on the future.

The new objectives presented below, and the updated benefits register (**Table 1.5**) represent the updated outcomes for the project.<sup>3</sup>

### 1.3.2 Project Objectives

The spending objectives for the project outline what the partnership are seeking to achieve by way of targeted outcomes – see **Table 1.1** for the SMART project investment objectives.

---

<sup>3</sup> Please note that any previous benefits presented in an early draft of the SOBC that are not presented within the FBC are no longer part of the project outcomes.

Table 1.1: SMART Objectives

Objective	Specific	Measurable	Achievable	Relevant	Time Bound
Support place-based capital-led regeneration within Camelon / Tamfourhill, one of Falkirk's most deprived communities	The building comprises three adjoined warehouses, over 57,000 sq. ft. The project will deliver £12.9m (total) capital investment in an underutilised and derelict heritage asset to bring it back into productive use to act as an operational hub for SC and deliver a range of skills and volunteer training.	Measurable through completion certificates and the building being operational.  Wider measurement via SC developing Impact Performance Framework	Design works have been progress to RIBA 4 and the proposed regeneration works will build on the phase 1 works to make the structure wind and watertight and avoid further dilapidation.	The local area is one of the most deprived communities in Falkirk and investment of this scale on a prominent building and heritage asset will have a positive benefit in terms of uplifting land and amenity value, as well as civic pride.  There is also a lack of dedicated training hub/space within the region.	Capital works to be completed and building open by Q1 2027/28
Address the skills and labour gaps within the historic environment sector	Deliver a programme of 'micro-credential' in-work training: <ul style="list-style-type: none"> <li>• 30 * SCQF 8: Planning, Surveying and Recording the Condition of Built Assets for Conservation per annum</li> <li>• 30 * SCQF 6: PDA: Repair and Maintenance of Traditional Masonry Structures per annum</li> </ul>	Measurable through monitoring data from partner colleges - uptake and completion of short upskilling courses.	HES have developed these micro credentials based on industry feedback (for example through the SIP) and are accredited through SQA	The SIP identifies a wide range of skills gaps and shortages across the historic environment sector	Benefits to be achieved during the first year of operation, 2027/28, and will continue throughout the project lifetime up to 2034/35)



Enhance education and training pathways for traditional and heritage skills	<p>Support to develop Apprenticeship pathways to ensure new entrants have the skills and competencies to support growth in the historic environment sector</p> <ul style="list-style-type: none"> <li>• 3 additional Stonemasonry MAs per annum</li> <li>• 5 additional MAs in Rural Skills per annum</li> </ul>	Measurable through ongoing project reporting and enrolment/completion data	<p>Based on demand data and research – uplift of:</p> <ul style="list-style-type: none"> <li>• Stonemasonry – 3 MAs per annum</li> <li>• Rural Skills – 5 MAs per annum</li> </ul>	<p>The project will increase the number of stonemasonry MAs as there is limited space at the Strirling campus. This is a recognised area of under provision since Edinburgh College withdrew its MA course</p> <p>The rural skills provision will also be delivered through the hub</p>	Benefits to be achieved during the first year of operation, 2027/28, and will continue throughout the project lifetime up to 2034/35
Increase awareness of opportunities to engage with the historic environment and heritage sector	Deliver an enhanced programme of volunteering, outreach and engagement to target the community, school and youth groups doors open day, skills festivals, competitions and demonstrations – 1,135 volunteers engaging	Measurable through the number of volunteers and ongoing reporting of actions or events delivered and number of attendees	Project partners have developed an activity plan that sets out the target number of engagement and approach as part of an NLHF bid	Research within the SIP identifies that there is lack of awareness of relevant training pathways and this is partly driving blockages in the supply side	Benefits to be achieved during the first year of operation, 2027/28, and will continue throughout the project lifetime up to 2034/35
Act as a good practice exemplar for collaboration and public sector reform to drive efficiencies and achieve net zero emissions	SC and HES will create a unique collaborative partnership that brings together NDPB's to improve operational delivery, secure efficiency savings and deliver cross-cutting priority outcomes – cost savings of £6.4m total	<p>Measurable through project evaluation and calculating annual and cumulative cost savings on:</p> <ul style="list-style-type: none"> <li>• Energy – utilising renewable sources</li> <li>• Leasehold</li> <li>• Overheads</li> </ul>	A review of asset strategies and the performance of current sites/assets has identified the level of savings and efficiencies that can be achieved through collaboration	As NDPB's both organisations have a duty and responsibility to deliver best value for the public purse.	Benefits to be achieved after the first year of operation, 2027/28, and will continue throughout the project lifetime up to 2034/35

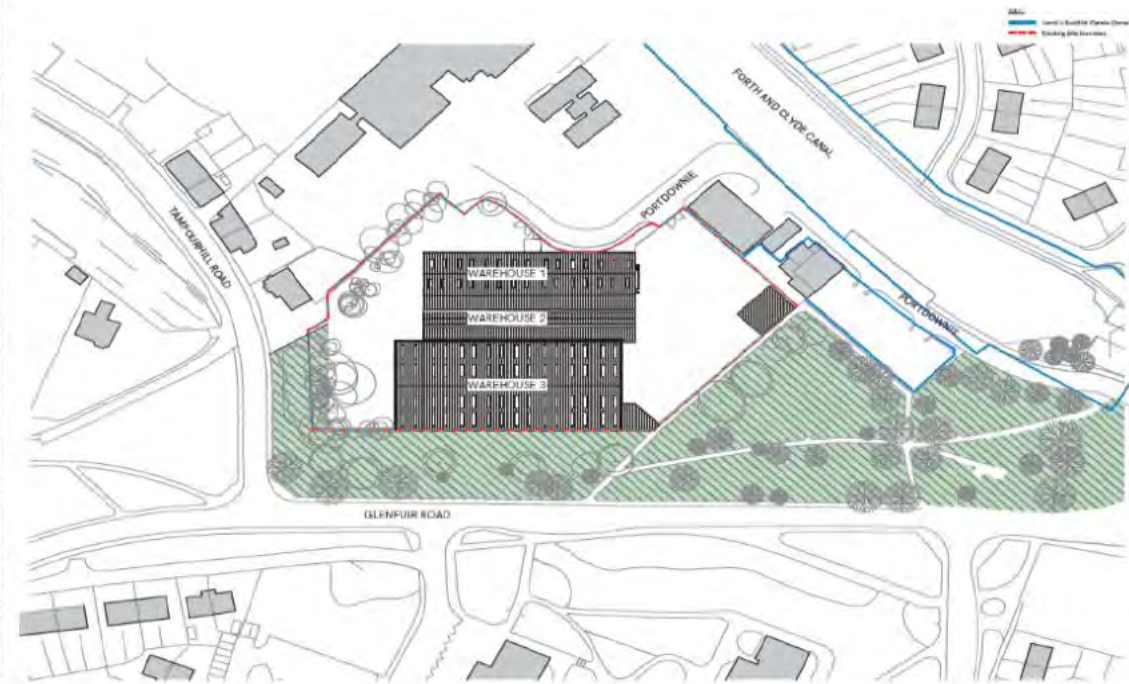


### 1.3.3 Existing Arrangements

#### Lock 16 Site

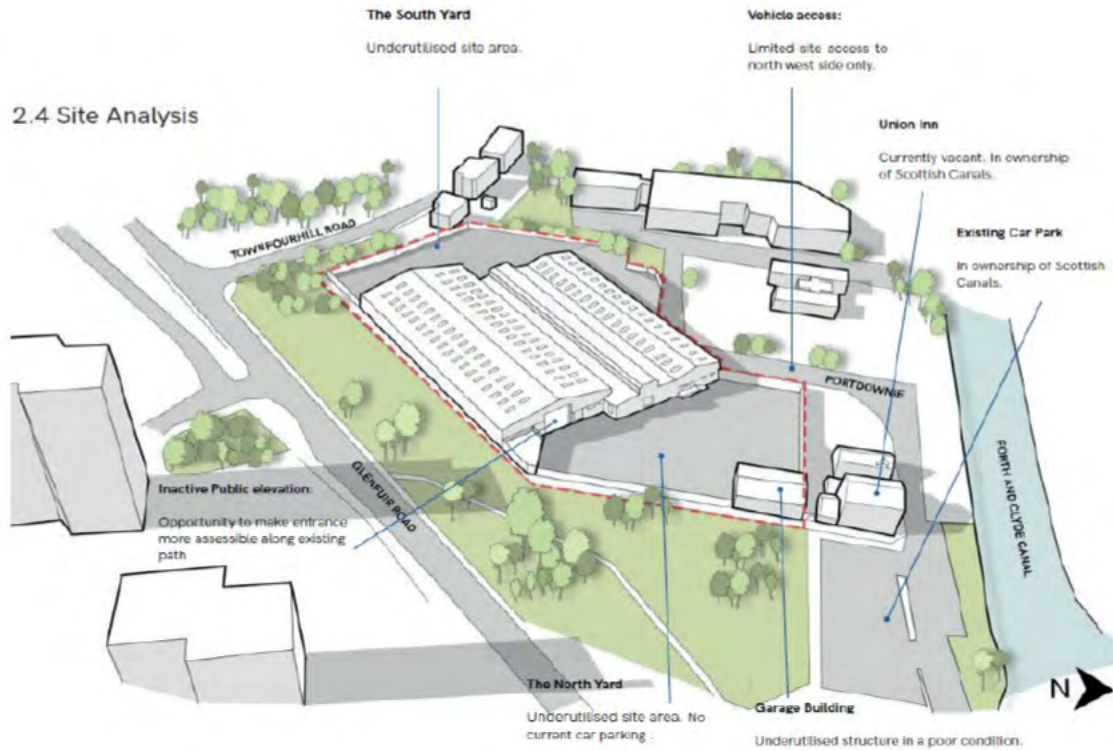
The existing AG Barr factory building consists of three distinct warehouse spaces (57,000 sq. ft), each varying in scale and form, offering a variety of options for the internal layout. The site's strategic placement along the Forth and Clyde Canal, positioned between the Falkirk Wheel and the recently refurbished Rosebank Distillery, renders it a complementary component of the broader ambition to establish a canal-side route connecting these two prominent visitor destinations.

Figure 1.1: Site Location and Boundary





## 2.4 Site Analysis



The factory has been largely vacant since production ceased in the mid 1990's (and has been on SC internal vacant and derelict land asset register), albeit there has been some limited light industrial use. The main occupational barriers include the condition and general deterioration of the buildings and the cost of addressing them.

SC purchased the building in 2007, initiating a bold plan to regenerate the 58-acre stretch between the Falkirk Wheel and Lock 16 at Port Downie. Early proposals envisioned a vibrant canalside development incorporating homes, a hotel, a marina, retail and leisure facilities. This vision aimed to create a dynamic new waterside quarter, blending community and commercial opportunities. However, the original plans did not proceed (partly due to escalating costs and the commercial environment), prompting SC to explore alternative opportunities for the site. Instead of demolishing the existing factory, the focus shifted towards adaptive reuse, leveraging the unique character of the buildings and aligning with sustainability principles.

### Phase 1 Activities and Works

In 2018, as part of the phase one activity, SC undertook fabric improvements to make the building wind and water-tight and address issues of lead paint, asbestos, and the impact of building vandalism. At the same time, SC also purchased PV panels and Air Source Heat Pumps to be installed as part of phase 2 works. The total cost of this initial phase was £2.4m with funding provided by SC and the RCGF. In 2025 SC installed a roof access system and removed the last of the remaining lead paint in the building.

Important to note is that, since the completion of the phase one works, the building is subject to Non-Domestic Rates, which are c. £69,000 per annum. SC are effectively paying rates for a property that they cannot utilise. In addition, as the site has been vacant since the phase one works completed, SC have spent a further c.£111,000 on site security. Total costs to date are £2.65m.

However, despite the work completed to date, significant investment is needed to bring the building back into 'productive use'.

### Surrounding Area - Tamfourhill and Camelon

In terms of the building's location, deprivation, employment and population decline are prominent challenges. More generally, the Scottish Index of Multiple Deprivation (SIMD) identifies that within the Falkirk region, 13 datazones are in the top 10% of most deprived across Scotland – noting deprivation regarding income, employment, education/skill, amongst other things. Additionally, as highlighted above, the employment rate for Falkirk is lower than the national average (73.3% compared to 75.2%).



Camelon East, where Lock 16 is located, is ranked in bottom 5% most deprived areas in Scotland (SIMD, 2020). The local communities of Tamfourhill and Camelon also suffer from poor environmental and economic conditions which result in a limited range of opportunities for local people compared to other neighbourhoods. A 2021 Report by Our Place Camelon and Tamfourhill on Community Safety not only highlighted the need for further local improvements but also underlined the importance of local people's direct involvement in change and decisions affecting their area.

### Delivery of Historic Environment Traditional Skills and Education Training

HES provides a range of education and skills training provision from three locations:

- Stirling Skills Centre at Cunningham Road, Stirling (this provision is subject to being relocated to the Lock 16 site).
- Elgin Skills Centre, Elgin (this provision will remain in Elgin).
- Engine Shed, Scotland's Building Conservation Centre, Forthside Way, Stirling (this provision will remain in Stirling).

HES relocated to Stirling from the Forth Valley College (FVC) Kildean Campus in 2020/21 as it was too small for the existing activity and FVC were unable to provide additional space. At that point FVC were also looking to renegotiate the lease which did not offer good value for money for HES.

The move to a rented facility in Stirling to create the Stirling Skills Centre at Cunningham Road, Stirling, was always intended to be a temporary solution as HES looked for a permanent larger facility. HES have a 10-year lease with a break clause at year 5 (2024/25) – HES are currently negotiating a year's extension to consider other options – Lock 16.

The Engine Shed is 'home' to HES Technical Education and Training and Technical Conservation teams and is an 'Approved Centre' for SQA and NOCN. It is not a 'dirty' training centre with workshop space but rather a venue for class and auditorium-based learning that also houses HES science and digital labs and facilities. Initially, HES considered a bespoke skills training centre at Forthside, next to the Engine Shed, Scotland's Building Conservation Centre, which opened in 2017. However, increasing capital costs meant the project was unfeasible.

HES deliver a range of vocational and non-vocational training, a summary of which is provided below in **Table 1.2**.

**Table 1.2: Work-based Learning and Enrolments**

Programme	Area of study	Lead Organisation	Partners	Enrolments in 2024-25	Qualification
Craft Fellowship	Blacksmithing	HES	2 Ravens Forge	2	-
Craft Fellowship	Stone Carving	HES	Michelle De Bruin	1	-
Craft Fellowship	Thatching	HES	Brian Wilson	1	-
Craft Fellowship	Vernacular Building	HES	Scottish Crannog Centre	1	-
Craft Fellowship	Lime Work	HES	-	1	-
Craft Fellowship	Blacksmithing	HES	-	1	-
Apprenticeship	Stonemasonry	HES	CITB Managing Agent	18	SVQ Stonemasonry (Construction)
Apprenticeship	Joinery	HES	Forth Valley College	4	SVQ Carpentry and Joinery (Construction)
Apprenticeship	Painting	HES	CITB	1	SVQ Painting and Decorating

**Table 1.3** and **1.4**, below, provide an overview of university and college courses and enrolments for pathways into the sector.

**Table 1.3: University Courses and Enrolments**

CAH 03 Subjects	Enrolments		
	<b>2015/16</b>	<b>2020/21</b>	<b>2022/23</b>
Building	1,775	3,090	1,605

**Table 1.4: College Courses and Enrolments**

FE Superclass	Enrolments		Change
	2016/17	2021/22	
Art Techniques/Practice	2,375	895	-1,480
Building/Construction Operations	2,567	3,865	1,298
Built Environment (general)	1,148	690	-458
Construction (general)	8,300	12,230	3,930
Construction Management	889	705	-184
Construction Site Work	437	470	33
Crafts: Leisure/General	1,209	75	-1,134
Glass/Ceramics/Stone Crafts	18	80	62
Metals Working/Finishing	-	60	60
Welding/Joining	1,712	1,410	-302
Woodworking/Furniture Manufacture	832	570	-262
<b>Total</b>	<b>19,487</b>	<b>21,050</b>	<b>1,563</b>

Several higher and further education institutions deliver a range of vocational and non-vocational training. There are around 24 colleges in Scotland offering construction courses, including carpentry and joinery, roofing, and plastering. There are also various training partners and organisations that have developed and deliver courses and training, for example:

- The Ridge – including MA Stonemasonry and MA Joinery.
- Scottish Lime Centre Trust – including short courses (e.g., Leadwork, Plastering/Limework, and Building Retrofitting), SQA PDAs (e.g., Workplans for Conservation or Restoration, Masonry, and Stonemasonry Repairs).
- Aberdeen City Heritage Trust – including property owner training and contractor training.
- Churches Trust – including online church maintenance training.
- Society for Protection of Ancient Buildings – including online and in-person training courses (e.g., church maintenance).
- National Federation for Roofing Contractors.
- National Retrofit Hub – including online and in-person courses (e.g., retrofit, carpentry and joinery, and heritage skills).

Though, it should be noted that this provision is primarily aimed at a lower level and lacks the specialist skill training required for mid- and senior-level roles.

Whilst training and skills development provision is available through online and in-person training, through HES and other education institutions, partners and companies, this does not meet the needs of the sector. As highlighted above, many of the CPD courses do not focus on mid- and senior-level skills. Moreover, many of the historic environment courses require sizeable training equipment, which is difficult to provide for higher and further education courses due to the upfront capital costs and space requirements and low volume of students undertaking these courses mean that it is often not financially viable.

### Stonemasonry Apprenticeships

Following the closure of Edinburgh College's training provision for the Stonemasonry MA, HES with the support of CITB absorbed the partly trained apprentices into the Stirling Skills Training Centre. This was to ensure that these young people, left without any means of completing their training through no fault of their own, were given the best possible chance to complete the apprenticeship. This and the consequence of there being no other training provision for stonemasonry between Stirling and York has somewhat skewed the geographical focus of the Stirling Centre away from being a centre that serves Forth Valley, northward into Perth and Kinross, into the southern Highlands and across to Dundee and Angus, into a centre that serves the whole of Fife and South East Scotland as well. As MA places are secured on first-come, first-served basis, as presented by SDS appointed Managing Agents, it is difficult to proactively engage employers as HES is not directly involved in the recruitment or placement of apprentices appointed to the centre, other than those it directly employs. However, HES has proactively engaged with local Forth Valley employers to ensure that they are aware of the training facility and the opportunities it presents and encouraged them to engage with CITB for assistance in apprentice recruitment and therefore to secure places.

The Stirling Centre currently has 53 Stonemasonry MAs registered at various stages across the four-year programme. 71% of these are from private sector, third sector or other public sector employers, with HES employed apprentices making up 29%. There are 22 different non-HES employers that have 37 apprentices at Stirling Skills Training Centre, spread across the following locations.

- Edinburgh and East Lothian -30%.
- Fife - 30%.
- West Lothian - 13%.
- Forth Valley - 11%.
- Borders - 5%.
- Glasgow - 5%.
- Perth and Kinross - 3%.
- Dundee and Angus - 3%.



From 25-year experience in delivering regulated skills training, that it is the supply and accessibility of training that supports the development of demand. Prior to the establishment of its Elgin Skills Training Centre in 2000, demand for stonemasonry training was limited in the Highlands and Islands, as it meant travel to Edinburgh or Glasgow. Since its establishment Elgin has trained hundreds of apprentices from across the North and is now training its third generation of apprentices from firms established by those that were trained there in the early years of the centre.

The current figures for Stirling reflect the loss of training provision in Edinburgh, which was also the natural destination for Fife and Borders apprentices due to better transport links. Employers have had to find alternative provision at Stirling to sustain their businesses, which has undoubtedly impacted on the ability of HES to grow opportunities within Forth Valley. The move to Lock 16 will provide scope for expansion of provision, potentially enhanced if proposed changes in the structure of the Modern Apprenticeship are adopted, as well as stabilising provision and making it more accessible for those reliant upon it.

HES is also confident that expanding provision at Lock 16 will enable it to engender the same growth local demand for stonemasonry skills development, as we have experienced across our 25 years in Elgin. The outlook of HES is long-term and strategic, and is matched by our commitment to Lock 16 and using it as a centre of excellence and hub to re-establish stonemasonry training in Edinburgh and East Lothian, and enable delivery in the Borders and other regions. This will in turn free capacity at Lock 16 to integrate with local skills development pathways into employed Modern Apprentice Stonemasonry training opportunities to exploit the emerging fabric first, repair and maintenance approach to retrofit for traditional buildings across Forth Valley, in partnership with the local construction sector, supported by CITB and local skills development and delivery partners.

### **Delivery of Staff and Volunteering Training**

SC supports a wide range of volunteering activity through both 'corporate days' but also its own volunteering programme that offers opportunities for volunteers to be trained and become involved in a range of activities:

- Interpretation and promotion – such as leading and assisting with school visits, organising events and community boating.
- Practical activities – for example, clearing vegetation and litter, creating habitats, improving access, restoration and archaeological digs.
- Recording and monitoring – such as recording heritage, carrying out inspections and monitoring biodiversity.
- Supporting our customer service teams – for example, as towpath rangers or on education visits.

- Project management, research and administration – such as searching through archives and making sure the activities above happen.

Currently, SC trains/works with c. 2,000 volunteers every year (the most recent data for 2024 reports 2,057 volunteers, total including corporate days), however, within the new Corporate Plan there is a target to expand capacity and provision to 2,500 – 3,000 as the annual schedule of volunteering opportunities is always oversubscribed.

The volunteer training takes place across a range of canal-side sites, however, there is no accessible ‘classroom’ space that is suitable for volunteer training. For example, SC building at West Mains industrial estate in Grangemouth does not have the required size of rooms required.

Currently there is one member of staff that is responsible for co-ordinating all the volunteering activity that takes place across the Lowland canals, this covers a broad portfolio and includes ‘public volunteering’, ‘corporate volunteering’, and supporting the canal societies/social enterprises.

The facility at West Mains is the current operation and maintenance hub and is not suitable as a ‘classroom’ for training volunteers (for example, lack of space and facilities) and there is currently a lack of staff resources to deliver the broad range of volunteering activities and programmes – the programme is always oversubscribed. The SC Corporate Strategy has identified that growing its volunteering and employability programmes will drive significant benefits for the organisation and the volunteers that participate and is a priority for the organisation.

### Canal Operations, Maintenance, and Engineering

The operations, maintenance and engineering team for the Lowland canals are ‘based’ at West Mains industrial estate, however, this is a transient hub, as opposed to a home base for the team where they store equipment, plants, tools, etc.

Currently there are 27 staff that are based there; however, the building is currently leased from Falkirk Council (one of only two buildings that SC lease and do not own) and as part of their asset management strategy to improve service delivery and reduce costs, SC are seeking to rationalise their overall portfolio, including any external leaseholds.

## 1.3.4 Business Need

The business need for investment has been established based on addressing four priorities:

- Delivering a dedicated space for skills training and education.
- Addressing skills gaps and shortages in the historic environment sector.
- Supporting community regeneration.

- Public sector reform and efficiency.

## Delivering a Dedicated Space for Skills Training and Education

HES currently operate from existing facilities in Stirling that, while functional, are increasingly constrained in terms of space. These current workshop environments are insufficient to meet the growing demands of their daily operations, particularly in the areas of training, skill development, and restoration work. As noted, the move to their current premises in Stirling was always intended to be temporary, and as confirmed through the recent SIP, the facility is still too small for the growth in provision that the sector requires.

There is a need for an appropriate, affordable space to increase the delivery of their skills training offering. Currently, HES facilities are at capacity and only able to deliver on masonry conservation, with no space for timber/metal and vernacular skills training. It is important that prior to investing in additional educational infrastructure, there is a suitable space for training delivery to ensure that training can be delivered effectively.

Lock 16 - Scotland's Centre of Excellence for Canals and Traditional Skills aims to address this limitation by providing a significantly larger and more adaptable space. This expanded facility will not only accommodate the increasing operational need but also foster opportunities for skill enhancement, knowledge transfer, and the preservation of traditional crafts between the organisations – creating positive spillovers. New training programs and meeting spaces provided at the larger facility will allow the building to serve as a hub for upskilling whilst ensuring the continuation of Scotland's heritage.

The development will focus on stonemasonry training, integrating digital technology and modern methods of working, to ensure there are pathways for entry, upskilling and reskilling within the sector. The project will also provide a hub for vernacular training in traditional crafts such as thatching, earth building, leadwork and plasterwork.

Lock 16 will also have capacity to provide training in traditional joinery and structural timber work and explore supporting metalwork (conservation and fabrication) skills training in the future.

Lock 16 could also provide a home base for peripatetic trainers working within the field, and at associated training centres (including those with mobile training units), to deliver training in localities where it is required, where travelling to Lock 16 would not be possible.

Although not located adjacent to the Engine Shed, Lock 16 provides an affordable space to increase skills training capabilities for the sector and is only 40 minutes away by public transport. The intention is that it will be run as a dispersed campus with the Engine Shed, with technical and professional expertise and resources from both facilities complementing each other and delivering activities in a collaborative manner.

The opportunity to work in collaboration with Scottish Canals and the additional benefits that Lock 16 gives in terms of access to the historic environment, as well as being better value for money in terms of space, far outweigh the benefits of retaining the Stirling Skills Centre for another 5 years, without room for expansion and further development, or trying to raise funds for a bespoke, stand-alone skills training operation elsewhere.

## Volunteer Training

### Promoting Volunteering Opportunities to Local Communities

Scottish Canals has a long-standing commitment to volunteering, currently supporting over 2,000 volunteers annually through a mix of public volunteering, corporate days, and partnerships with schools, canal societies, and community groups.

These activities are promoted through the Scottish Canals website, social media, and wider corporate communications, and are coordinated by two existing staff members, one based in the Lowlands and one at the Treehouse in Inverness, a growing canal-side community hub for engagement and wellbeing.

As part of the Lock 16 Centre of Excellence for Canals and Traditional Skills, these existing strategies will be expanded and formalised. The Centre will provide a dedicated space for volunteer training, outreach, and engagement, enabling Scottish Canals to increase capacity, diversify opportunities, and reach new audiences. The two new roles, a Volunteering and Employability Manager and a Volunteer Co-ordinator, will be appointed to lead this work, joining the existing team to form a national volunteering network.

While the detailed Volunteering and Employability Strategy is yet to be developed, it will be a key output of the Centre of Excellence project. The strategy will be informed by the NLHF-funded Activity Plan and shaped by best practice from across the sector, including insights from the [Canal & River Trust's flexible and inclusive volunteering model](#).

The strategy will be guided by the [Scottish Canals People Strategy 2023-2028](#), which emphasises:

- Empowering people and communities through inclusive engagement.
- Creating vibrant places that support wellbeing and participation.
- Building capability through training, volunteering, and employability pathways.
- Fostering innovation and collaboration across public and third-sector partners.



Planned and existing approaches to promoting volunteering opportunities to local community will include:

- Community outreach: Strengthening relationships with schools, youth organisations, employability providers, and third-sector partners to promote volunteering pathways.
  - Events and engagement: Hosting skills festivals, demonstrations and open days to raise awareness and inspire participation.
  - Digital promotion: Enhancing online visibility through interactive volunteer portals, storytelling features, and targeted campaigns.
  - Partnership development: Co-designing volunteering roles and “train the trainer” models with canal societies and local groups.
  - Inclusive access: Ensuring volunteering opportunities are accessible to diverse communities, including those facing barriers to employment or education.
- Cross-organisational collaboration: Working closely with HES to align volunteering opportunities with volunteers in heritage-related roles, including education (e.g., walking tours of industrial heritage, canalside) and the environment (conserving our natural environment).

### **Canal societies and partners**

In addition, SC aim to train 105 individual trainers from across the partner network over the next three years (“train the trainers”), in line with the Activity Strategy and Plan (see **Appendix B**). These trainers will in turn train up to 420 volunteers across the wider Falkirk and Forth Valley region.

Lock 16 will create the best conditions to engage third-sector partners and create volunteering experiences that are rewarding for individuals particularly supporting improved mental, emotional, and physical well-being.

There is also a time sensitive need for why the Growth Deal funding is needed now. The project team has been awarded £3.7m (capital and revenue) from the NLHF to support delivery of Lock 16 (announced on 3<sup>rd</sup> April 2025) which will be used as match funding against the Growth Deal allocation. As outlined in the funding application, the project aims to be onsite during summer 2025.

[HES volunteering programmes](#) already offer opportunities in areas such as conservation, interpretation, and public engagement. Through Lock 16, SC and HES will explore joint volunteering initiatives that support both canal heritage and traditional skills, creating a more integrated and impactful experience for participants. This collaborative approach will ensure volunteering is inclusive, accessible, and rewarding, supporting personal development, employability, and wellbeing, while contributing to heritage preservation, community regeneration, and sector resilience.

## Engaging Underrepresented Groups in Volunteering

SC recognises the importance of ensuring that volunteering opportunities are inclusive and accessible to all, particularly individuals and communities who are underrepresented in heritage, environmental, and construction-related volunteering.

The newly appointed Volunteering and Employability Manager and Volunteer Co-ordinator will collaborate closely with existing employees to foster a welcoming, inclusive, and well-supported environment for volunteers. This includes robust risk management practices, clear guidance for volunteers in sensitive or remote roles, and the integration of safeguarding, accessibility, and equity across all volunteer activities. Appropriate training, supervision, and reasonable adjustments will be provided to ensure every volunteer can participate safely and meaningfully.

The Lock 16 Centre of Excellence provides a unique opportunity to expand and diversify participation through targeted outreach, inclusive design, and collaborative delivery.

While the detailed Volunteering and Employability Strategy will be developed as part of the project, the following principles and approaches will guide engagement with underrepresented groups:

- Targeted outreach and partnerships: SC will work with local employability providers, equalities organisations, youth services, and third-sector partners to promote volunteering opportunities to people who may face barriers to participation, including those from low-income backgrounds, ethnic minority communities, disabled people, and those with limited access to education or employment.
- Accessible and flexible opportunities: Volunteering roles will be designed to accommodate a range of needs, interests, and time commitments. This may include short-term, skills-based, or supported volunteering placements, with options for progression into training or employment pathways.
- Inclusive communications: Promotional materials will be developed using inclusive language and imagery, and distributed through community networks, local events, and digital platforms to reach a broad and diverse audience.
- Supportive environment: The new Volunteering & Employability Manager and Volunteer Co-ordinator will work alongside existing staff to ensure that volunteers are welcomed, supported, and valued. This includes providing appropriate training, supervision, and adjustments where needed.
- Shared learning with HES: Joint initiatives will explore how traditional skills volunteering can be made more accessible and appealing to a wider range of participants, including through co-designed programmes and shared outreach.

- Monitoring and evaluation: The NLHF-funded Activity Plan and the future Volunteering and Employability Strategy will include mechanisms to monitor participation by demographic group, identify gaps, and adapt approaches to improve reach and impact.

This inclusive approach aligns with the Scottish Canals People Strategy 2023–2028, which commits to empowering people and communities through engagement, building capability, and creating vibrant, welcoming places for all.

### **Governance and End-User Engagement**

The project has already been shaped through stakeholder engagement and is being delivered by experienced public bodies with a strong track record in inclusive regeneration, volunteering, and skills development.

However, the importance of ensuring that the needs of diverse users and communities continue to inform delivery, is recognised. For the volunteering elements of the project, this will be achieved through the proposed Heritage Skills Advisory Group.

To strengthen representation of volunteering interests and ensure inclusive practice, [Volunteer Scotland](#) will be invited to join the Advisory Group. This will provide a direct link to the wider Scottish Volunteering Forum and ensure that the evolving Volunteering and Employability Strategy reflects best practice in inclusive engagement, accessibility, and community participation.

This approach is consistent with the principles of the [Volunteering Action Plan](#) and the [Volunteering for All: National Framework](#), which call for:

- Widening access by understanding and reducing barriers to participation, particularly for underrepresented groups.
- Listening to volunteers by ensuring their voices are heard and that they help shape decisions that affect them.
- Providing great experiences where volunteers feel supported, valued, and recognised.
- Strengthening relationships between volunteering and community engagement partners at both national and local levels.
- Creating an enabling environment through strong leadership, inclusive practice, and continuous learning.

By embedding volunteering within the governance structure of the Centre of Excellence, via the Advisory Group, SC and HES can ensure that the voices of volunteers, learners, and underrepresented groups are heard and acted upon. This model offers a proportionate, flexible, and effective mechanism for inclusive design and delivery, without the need for a separate design group.

## Community Regeneration

Local and regional strategies outline the importance of collaborative working to address the socio-economic challenges the Falkirk area is facing to ensure people can live and work within their community, progress their careers, and are able to maximise their income and reduce living costs.

The Lock 16 project includes restoration and bringing back into productive use a prominent former industrial building which is part of a much wider regeneration and masterplanning exercise within the Tamfourhill area for new mixed tenure housing, public spaces, removing environmental blight and attracting new commercial investment and operators. With much needed capital investment, Lock 16 has the potential to reinvigorate the local communities of Camelon and the wider area which for too long has been blighted by industrial dereliction, poor connectivity and amenity.

The project will create opportunities for skills development, upskilling and reskilling in the local area as well as volunteering (SC have targets for 35% of the volunteers trained will be from the Falkirk region). In ensuring people can access skills from entry level, the project will develop pathways into the historic environment sector and offer opportunities for individuals to gain skills to progress their careers.

## Addressing Skills Gaps and Shortages

There is a significant and compelling evidence base for developing, enhancing and expanding the skills and education training available to support the historic environment and heritage sector.

For the last twenty years the skills required to sustain the future of the historic environment in Scotland have been on the verge of a crisis. The Scottish Stonemasonry Skills Training needs project report (Jan 2023) and the Skills Investment Plan for the historic environment research report (April 2024) identified that diminishing provision caused by inadequate funding in infrastructure and participation have eroded the capability of the mainstream Further and Higher education sectors in Scotland to provide the education and training that the sector requires. Further impacts through repeated economic recessions and public sector austerity, as well as ongoing structural changes in the workforce resulting from an aging population and the impacts of Brexit, have combined negatively to further push provision outwith the mainstream and into the niche and specialist areas, where sustained funding for low volume, high quality training is even harder to secure. This has resulted in several outcomes:

- Loss of traditional, technical knowledge and expertise.
- Shortages of skilled labour which results in increasing costs.
- Sustained, accelerated decline in the condition of the historic environment, an inability to mitigate the impacts of, or adapt to, the consequences of climate change.



For the past ten years, the approach taken by the historic environment sector has been to try and influence the mainstream educational sector to secure and grow provision of training, by highlighting the fundamental underpinning role that our historic environment plays through tourism, provision of housing and infrastructure, as well providing the daily backdrop to culture, society and environment.

This has had very limited success, with sector skills needs being squeezed out due to competing priorities (such as the transition to net zero) and cost sensitivities. Lock 16 presents an affordable first step to change the focus by providing a place where the viability and vitality of traditional and heritage skills training can be seen, and the impact felt at a local and national level. This commitment by SC and HES, supported by NLHF, may be sufficient to move the thinking of the skills training mainstream to recognise that skills are worth funding in a sustained manner, as they can enable sustainable development and a Just Transition to Net Zero. If the Growth Deal funding is not secured, there will not be another opportunity to secure a facility at this scale for the next 5-10 years.

Detailed research identifies the challenges and issues in the sector.

The [Skills Investment Plan \(SIP\) for Scotland's Historic Environment Sector](#) is the Historic Environment sector-wide skills strategy which prioritises that the operation and expansion of the historic environment is not constrained by skills challenges, shortages or gaps. The SIP provides an overview of the skills demand, needs and shortages of Scotland's historic environment sector.

Points to note include:

- 10,000 new jobs will be needed over the next decade to maintain and adapt Scotland's traditional building stock.
- 68% of employers surveyed anticipate skills shortages in next five years.
- 65% of employers noted a considerable or huge impact of traditional/specialist skills shortages on organisational growth.
- 73% of employers noted a 'lack of skilled and qualified people' as a driver for future skills/labour problems.
- 63% of employers identified skills gaps as having huge or considerable impact to the sustainability of their business.
- 41% of employers found attracting staff extremely challenging.

Additionally, key priorities for each skills profile were identified (see below). For traditional building skills, reversing the erosion of training provision, funding training delivery and infrastructure, and attracting future talent are the key priorities.

The SIP highlights the need for additional training and upskilling provision within the historic environment sector to ensure that skills gaps, shortages and demand can be met to meet the needs of employers and ensure that Scotland's traditional building stock can be maintained.

The project works towards the priorities of the SIP by creating a space to host the MA in Stonemasonry and rural/heritage site asset management courses, alongside short, sharp micro-credential courses.

This will support the workforce demand and requirement outlined in the SIP and help to address skills shortages and gaps within Scotland's historic environment sector.

Additionally, Stonemasonry was highlighted with notable skills gaps and deficits. This was further highlighted in the Stonemasonry Survey Report, where businesses frequently detailed their concerns over a lack of staff within the sector, and the quality and availability of training provision for the sector.

The [Stonemasonry Survey Report](#) was published by Historic Environment Scotland (HES) in 2023. The survey sought to examine the nature of Scotland's stonemasonry sector to plan current and future needs and the delivery of the MA in Stonemasonry. From the survey results, those within the stonemasonry sector are most likely to have an Advanced Craft qualification (209), followed by SVQ Level 3 (141), and SVQ Level 2 (113).

Respondents were given the opportunity to provide comments. Predominantly, these responses focused on concerns relating to training provision (23) and a lack of staff within the sector (15). Some respondents highlighted the closure of Edinburgh (Telford) College's stonemasonry training course, and risks to training provision in Glasgow. As such, these respondents raised concerns regarding the future of the sector, suggesting that there is a risk to Scotland's built heritage buildings, due to a potential shortage of skilled stonemasons in the future.

The Lock 16 development will address the concerns noted by providing a hub for the MA in Stonemasonry in Falkirk, which is accessible to those in the Central Belt of Scotland. Additionally, it will help to increase the number of individuals training in stonemasonry, ensuring that there is a suitably skilled workforce in the future, to maintain Scotland's built heritage buildings.

Additionally, the closure of some traditional skills provision (e.g., at Edinburgh Telford College) is further limiting the availability of accredited courses for those wishing to enter the sector. The Stonemasonry Survey highlighted a gap in a pathway from entry level to career.

Through the industry research, a lack of mid and advanced level training provision was also identified, prohibiting those who have entered the sector to upskill and receive accredited qualifications to further their careers.

There is a need for a skills hub which provides skills provision for these traditional skills at all skill levels to ensure there can be new entrants into the sector, whilst also providing resources for those within the sector to upskill and reskill to further their career and respond to skills needs and demand.

### **Access Requirements for Skills Training**

Whilst craft skills can be taught without any prior formal educational attainment, those that do not have a reasonable grasp of arithmetic and geometry may struggle in disciplines such as stonemasonry. The whole aim of the pathway approach outlined is to engage early with young people, so that any additional support needs they require to pursue a specific occupation can be identified and addressed prior to commitment to a MA, thereby reducing dropout rates. Additional support for potential candidates could be provided in school or through employability programmes already in operation.

### **Evidence of Market Demand**

The evidence of need is drawn from the SIP and would note that the employment opportunities within the Historic Environment sector and absolute numbers coming through the pathways are modest:

- Employers are experiencing significant skills gaps (79%) which is expected to have a considerable (40%) or huge (25%) impact on their organisation.
- The biggest skills gap areas are traditional and specialist skills (54%).
- Employers cite lack of access to training, funding, and clear professional pathways as major obstacles, and suggest solutions such as accredited courses, mentorship, increased awareness among youth, accessible grants, and more paid apprenticeships, especially in rural areas.
- 42% of employers cannot access the training provision that they need or want.
- 46% of employers who replied to the survey stated that their organisation does not have the skills that they need and 12% are unsure whether they have them.

Other gaps identified were; achieving conservation accreditation with no clear route, poor provision for relevant safety training, lack of candidates skilled/experienced in historic building construction, and a lack of skilled conservators, especially in slating, leadwork, joinery, masonry, pointing, plastering and rendering.

These results are consistent with the results of the 2023 survey. In 2023, which 68% of employers anticipated skills shortages between then and 2028. In that survey, employers highlighted that traditional and specialist skills would have a considerable (34% of respondents) or huge (30%) impact on growth.

The above survey results reflect a consistent industry view of skills shortages that are having a considerable or huge impact on its sustainability and growth. One of the reasons that there is a disparity between this 'need' and actual 'demand' is the structure of the sector, which is dominated by micro to small businesses, where the risk around recruiting trainees or apprentices, in terms of extra costs and initial losses in productivity, is proportionally higher than in sectors with larger employers.

There are also structural issues, in that, for many traditional craft areas, there is a need for training but no formal, funded training programme or qualification available. This exacerbates the lack of accessibility to skills training, as the FE sector nor employers can consider supplying opportunities for which there is no formal support or funding for provision (which of course must be justified through evidence of demand with sustainable numbers). The aim of Lock 16 is to stabilise existing provision, establish new and innovative pathways into the sector to minimise risk to employers and deliver high-quality training that will increase sectoral productivity.

In terms of demand for training opportunities, HES Modern Apprenticeship and Craft Fellowship programmes are always over-subscribed, no matter where in Scotland they are offered. The limiting factor for HES is affordability and capacity to ensure trainees get an excellent experience through working with the correct mentor, on the right type of projects.

### Public Sector Reform and Efficiency

A report by Audit Scotland on [fiscal sustainability and reform in Scotland](#) reports that Scottish Government and aligned agencies need to take a more proactive and longer-term view to public spending and public service delivery models to be financially sustainable.

One of the suggested approaches to achieving system reform and efficiencies – is about changing how public bodies use their assets and resources to reduce or avoid costs.

As noted, the current premises at West Mains is leased from Falkirk Council and is not fit for purpose – capacity issues and layout (both as a base for volunteers and employability training and for the maintenance, operations, and engineering team). Then intention is to exit the lease and relocate the maintenance, operations, and engineering team to Lock 16, which would enable them to access bespoke premises and have direct access to the canal.

In addition, there is limited availability of industrial space within Falkirk and in particular Grangemouth. Falkirk Council have 23 units totalling 14,617 sqm at West Mains. It is a relatively popular estate being close to the M9 and the main road between Grangemouth and Falkirk currently being upgraded. As of April 2025, there are six units of varying sizes totalling 4,363 sqm which are vacant. Most of this space has been vacated recently and will require some refurbishment works prior to coming back to the market.



They are coming onto the market in summer/Autumn 2025 and the Council has indicated that they expect to secure tenants and let these relatively quickly. Leasing the unit vacated by SC to a private operator will bring new permanent jobs to the area (SC were using the facility as a transient hub) and could attract sectors aligned to the Greener Grangemouth proposals.

Similarly, HES exiting its lease from its current temporary facility in Stirling will help reduce costs and reduce uncertainty regarding future cost inflation – Heads of terms agreed state that the term will be 20 years (with break clause at 10 and 15), that up to 15% of costs (£150,000 + VAT per annum) can be met with ‘in-kind’ contributions and any increases are to be indexed in with CPI inflation.

Consolidation of assets and operations into fit for purpose, bespoke, and energy efficient premises will help meet several business needs:

- Drive operational savings in leasehold costs, Non-Domestic Rates, energy and utilities and overheads, enabling more efficient and innovative working practices.
- Consolidate public sector premises and operations and more effectively maintain the canal network in Central Scotland.
- Support the reduction in scope 1 emissions (building heat and electricity and fleet emissions) and contribute to net zero targets.
- Create more efficient and innovative work practices in the historic environment sector by providing integrated and shared collaborative working space and a hub providing space for innovation and new manufacturing.

## 1.4 Potential Scope

Based on the case for change and SMART objectives, we have outlined the minimum, intermediate and maximum project scope that could meet the identified need/demand and deliver against the objectives.

### 1.4.1 Minimum

As a minimum both HES and SC should undertake awareness raising and capacity building activity to bring greater awareness of the career opportunities and training pathways for the built heritage sector and expand the network of volunteers to provide more ‘hands on’ opportunities for people to engage with the sector.

### 1.4.2 Intermediate

The intermediate option includes partners committing to a programme of capital-led development and regeneration at the site to bring the building back into productive use (either part or all the building, which comprises three adjoined warehouse).

The building will provide workshop and classroom space and serve as a national hub for heritage skills training and education for students (MA's) and industry through accredited micro-credentials.

### 1.4.3 Maximum

The maximum scope includes the intermediate option with the following additional elements:

- Consolidation and relocation of the operations, maintenance, and repair departments of both HES and SC.
- Development of a national volunteer training and engagement hub.
- Education and visitor centre - to bring school children and the wider public to the area and learn about the canal and Scotland's industrial heritage.
- Relocation of all heritage-led training and education activity delivered by HES and others.

## 1.5 Main Benefits Criteria

The logic model and Benefits Realisation Plan (**Appendix C**) have identified the main benefits which align with the investment objectives and further establish the evidence base for intervention.

As per HM Treasury Green Book guidance, the benefits have been considered as:

- Cash-releasing – benefits that generate a direct monetisable effect, for example, capital or revenue funding, increased turnover/ revenue, cost savings/ efficiencies.
- Non-cash releasing – benefits that generate an indirect but monetisable effect, for example, improved efficiency or productivity (measured through increased salaries and/ or GVA), wellbeing and natural capital.
- Wider impacts and benefits (both quantitative and non-quantifiable), for example, improved social outcomes, contribution towards policy priorities, and supporting regeneration.

Table 1.5: Lock 16 - Main Benefits Criteria

Investment Objective	Direct Beneficiaries	Stakeholders/Delivery Partners
Support place-based capital-led regeneration within Camelon / Tamfourhill, one of Falkirk's most deprived communities	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Uplift in land and amenity values (nearby commercial and residential property)</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Local and regional supply chain effects</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>Improved civic pride</li> <li>Addressing physical dereliction and blight</li> </ul>	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Efficiency savings</li> <li>Leveraged capital and revenue funding</li> <li>Residual value of asset</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>One-off construction impacts – Person Year Equivalent (PYE) jobs, salaries and GVA</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>Delivery and progress toward achieving strategic ambitions of regional and national policy,</li> <li>Enhanced reputation for stakeholders and partners</li> <li>Bringing an underutilised asset back into productive use</li> </ul>
Address the skills and labour gaps within the historic environment sector	<p><b><u>Cash-Releasing Benefit</u></b></p> <p><b><u>NA</u></b></p> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Individuals raising their lifetime earning potential</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>Employees gaining accredited qualifications</li> <li>Employees upskilling and or gaining new skills</li> <li>Improving/creating opportunities for career progression</li> <li>Local companies have access to a talented local labour market with the right skills and training to meet their needs</li> <li>Greater business survival/resilience</li> </ul>	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Commercial income from the private sector for training</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>New and safeguarded jobs, salaries and GVA – direct employees and supply chain effects</li> <li>Training premium effects and enhancing productive capacity</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>Creation of one-stop hub to increase the skills of the local labour force</li> <li>Ensuring there are enough graduates and skilled professionals to meet current and future demand</li> </ul>
Enhance education and training pathways for traditional and heritage skills	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>In-study income earned by MA's</li> <li>Individuals raising their lifetime earning potential</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Increased throughput and number of MA graduates</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p>	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>NA</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>Training premium effects and enhancing productive capacity</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>Ensuring there are enough graduates and skilled professionals to meet current and future demand</li> <li>Retention of people in the region</li> </ul>



	<ul style="list-style-type: none"> <li>• Safeguarding and future-proofing the heritage sector</li> <li>• Ensuring there are enough graduates and skilled professionals to meet current and future demand from businesses</li> <li>• Providing school leavers with employment pathways – at all qualification levels</li> </ul>	<ul style="list-style-type: none"> <li>• Reputational benefits for HES</li> <li>• Delivering against key strategic priorities</li> </ul>
Increase awareness of opportunities to engage with the historic environment and heritage sector	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• NA</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• NA</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Increased number of volunteers</li> <li>• Increased number of trainers trained</li> <li>• Personal benefits from volunteering - enhance employability, confidence, networking, improved physical and mental wellbeing</li> <li>• Engaging the public with the canals and heritage sector</li> </ul>	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• Wage replacement valuation from volunteers</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• Off-site spend in the economy – volunteers coming to the region</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Delivering an innovative and creative volunteer programme</li> <li>• Growing network of volunteers interested in the canals and wider heritage</li> <li>• Opportunity to formalise and develop accredited training for volunteers</li> </ul>
Act as a good practice exemplar for collaboration and public sector reform to drive efficiencies and achieve net zero emissions	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• NA</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• NA</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Enhanced and improved service delivery</li> </ul>	<p><b><u>Cash-Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• Avoided spend</li> </ul> <p><b><u>Non-Cash Releasing Benefit</u></b></p> <ul style="list-style-type: none"> <li>• Reduced CO2 output</li> </ul> <p><b><u>Quantitative and Qualitative Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Reducing SC and HES carbon footprint and encouraging wider behaviour change and public engagement with the journey to net-zero</li> <li>• Reputational benefit - SC and HES as an NDPB visibly 'leading the way' for public sector reform</li> </ul>

## 1.6 Dependencies and Constraints

**Table 1.6** and **1.7** below identifies the internal and external dependencies and constraints that will influence the successful delivery of the project. The Project Risk Register (provided in **Appendix D**) provides further detail on how these issues will be mitigated.

## Dependencies

Dependencies generally refer to the internal factors on which the project relies on to be successful.

**Table 1.6: Project Dependencies**

Dependencies	Lead Responsibility
<b>Internal</b>	
The level of capital funding that is available through Falkirk Growth Deal and other public and private sector sources.	SC (lead) and HES
The level of revenue funding that is available through NLHF and other public and private sector sources.	SC (lead) and HES
Eligibility of grant expenditure and other conditions, for example, to pay the Real Living Wage, demonstrate a commitment to net zero, etc	SC and HES
Ensuring best value for public sector funding resources	SC and HES
Capital funding drawdown and delivery period	SC (lead) and HES
Project and follow-on activity receiving planning and other regulatory consents in a timely manner	SC (lead) and HES
Environmental – scoping/screening, impact assessment	SC (lead) and HES
Subsidy regulations	SC and HES
<b>External</b>	
External economic and financial conditions (e.g. capital inflation)	SC and HES

**Table 1.7: Project Constraints**

Constraints	Lead Responsibility
<b>Internal</b>	
Staffing/Capability – ensure suitable staff capacities and capabilities are in place to deliver each element of the project	SC and HES
Land ownership and leasehold arrangements	SC
Use of professional design team to develop the propositions to RIBA stage 4	SC
Use of consultancy support to help develop the OBC and FBC	SC and HES
Continuing support from partners and stakeholders	SC and HES
Effective and robust governance and management procedures are in place and clear lines of reporting between partners	SC and HES
Successful procurement of contractors for work packages	SC
Affordability	SC and HES
<b>External</b>	
Demand – industry, students, volunteer network	SC and HES
Competition with, and duplication – need to ensure projects are complementary, not competing	SC and HES

## 1.7 Stakeholders

Project Stakeholders are outlined in the Stakeholder Matrix below, **Table 1.8**. The table has been aligned with the assurance framework guidelines and includes specific benefits and disbenefits attributable to stakeholders.



Table 1.8: Stakeholders

Stakeholder Group	Contribution	Benefit	Disbenefit	Expectation/Demand/Conflict	Engagement to Date
<b>Internal SC and HES teams</b>					
Internal SC and HES departments and colleagues	Assistance towards project scoping and development	Close working between departments allowing all appropriate issues to be considered and approvals in place – focus on maximising benefits	No dis benefits identified	No conflict anticipated	Ongoing discussions between departments ensuing project remains achievable.
<b>Local Authority</b>					
Falkirk Council	Partnership working	New investment to the local economy and creation/safeguarding of economic activity	No dis benefits identified	No conflict anticipated	Ongoing discussions regarding the project to ensure local benefits are maximised
<b>Growth Deal Bodies</b>					
Scottish and UK Government, PMO, Chief Executive, Cabinet, etc	Funders, governance, guidance and support.	Contribution to strategic priorities of the Growth Deal	Potential for displacement of activity	No conflict anticipated	Regular progress reporting via Project/Member Authority Programme Status Reports.

<b>Private Sector</b>					
Businesses and individuals operating within the heritage and aligned built environment sector	Skills and training support and provision	Providing relevant and up to date skills and training qualifications	No dis benefits identified	Relevance of training to meet changing industry need and demand	HES have been actively engaging in discussions and gathering feedback from industry on an ad hoc basis and through the SIP
<b>FGGD Projects and delivery bodies</b>					
Other project within the Deal	Delivery of regional and national priorities	Sharing learning, supporting the supply and demand of students and industry	No dis benefits identified	No conflict anticipated	High level engagement through the regional programme Board that will continue
<b>Canal and heritage interest groups</b>					
Canal societies and network of volunteers	Support the maintenance and upkeep of the canal and network	Personal and wider benefits from participating in volunteering and learning about canals and their heritage	No dis benefits identified	Sufficient resources to be able to meet demand for volunteer training and opportunities	Engaging with volunteer co-ordinators
<b>General public and business base</b>					
Residents and businesses based within local community and Falkirk more widely.	Use the canal paths and local stakeholders	Regeneration of the local area - bringing people and economic activity to the Canalside	Disruption during construction process	No conflict anticipated	Communication via social media and news outlets

## 1.8 Risk

A series of potential risks that could affect the successful implementation and delivery of the project have been identified and are set out in detail in the Risk Register in **Appendix D** which provides a register in line with FGGD reporting, a risk register covering the capital elements/construction and a register that covers the ongoing operational delivery of the project.

A summary of key risks were identified and appraised in a series of sessions with the project team (see Management Case) These risks are summarised in **Table 1.9**.

**Table 1.9: Summary Project Risks**

Risk Category	Risk Examples
Construction	<ul style="list-style-type: none"> <li>Site conditions</li> <li>Costs and inflation</li> <li>Delays to timescales</li> <li>Post-construction defects</li> <li>Changes to scope</li> <li>Project management and co-ordination</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>Securing contractors</li> <li>Value for money</li> <li>Timelines and evaluation</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Growth Deal and SC budgets</li> <li>NLHF and HES budgets</li> <li>Drawdown profile</li> <li>Capital inflation</li> <li>Ongoing maintenance and monitoring</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>Delays</li> <li>Secured preferred supplier/contractor</li> <li>Third party approvals</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>Ecological constraints</li> </ul>
Contractual/legal	<ul style="list-style-type: none"> <li>Planning consents</li> <li>Other regulatory consents</li> <li>Leasing arrangement</li> <li>Disputes</li> </ul>
Reputational	<ul style="list-style-type: none"> <li>Disruption during construction</li> <li>Quality of regeneration project</li> <li>Benefits realisation</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>Stakeholder and public support</li> <li>Change in priorities</li> <li>MoU</li> <li>Governance and management structure</li> </ul>



## 2 Economic Case

---

### 2.1 Introduction

This section demonstrates that the Lock 16 project optimises public value and represents value for money.

### 2.2 Market Failure

The HM Treasury Green Book states that the underlying rationale for public sector intervention is usually found in market failure, or where there are clear government distributional objectives that need to be met. Where markets are unable to deliver 'optimum' outcomes there is a rationale and case for public sector intervention – the intervention that is proposed should seek to redress this market failure.

The observed presence of market failure has led to a position where the 'market' is not operating efficiently – the OBC has identified a range of inefficiencies within the market relating to:

#### Information asymmetries:

While there is information available on the wider support and training provision for industry, as noted, the current support landscape and skills system is somewhat limited in terms of scale and qualification level of the offering. In addition, industry may not recognise and monetise the wider cultural and heritage importance of traditional skills and favour investment in more commercially modern and more economically certain skills and training. As a result, industry therefore do not have access to a central point of information on which to make informed decisions which can often lead to a situation of under investment.

Business leaders and management often do not understand (or know how to "price") the potential benefits and impacts that can be generated through investing in training and upskilling/ reskilling their workforce. In addition, training may not give an immediate return on the investment and companies only account for (or "price") the costs but not the longer-term benefits.

There may also be information asymmetries existing in the market for industrial property, with private investors hesitant or unwilling to purchase and redevelop a site like Lock 16 due to uncertainty around land and property values, the scale investment required to bring the property back to a commercially viable use and longer-term returns on investment. However, from a public sector perspective the redevelopment of the site can deliver positive value for money.



### Negative externalities:

Wider evidence suggests that there is a reluctance to invest in training as it will often benefit future employers (who do not pay for the training). For example, staff can easily be 'poached' by competitors (referred to as free riders). This market failure often occurs in sectors that are associated with higher barriers to entry and where there is limited labour supply of specialist and experienced workers, such as STEM and skilled trades. The outcome is again an underinvestment in staff and training.

### Positive externalities:

The project is also expected to generate a number of positive externalities which would not be reflected in the investment decisions by the private sector. Therefore, public sector investment helps secure these externalities and deliver greater value to society and indeed private individuals. Positive externalities associated with the project include: increase in the value of land, increase in amenity value for residents of the surrounding neighbourhoods, and value associated with the longer term upkeep and maintain of a culturally valuable heritage asset.

## 2.3 Critical success factors

In addition to the investment objectives set out in **Section 1**, the partners have identified several factors which are critical for the success delivery of the project, and therefore relevant in judging the relative desirability of the options. The partners considered the possible critical success factors (CSFs) suggested in the five-case model guidance and selected the CSFs that were most relevant to this project.

The project's critical success factors are presented in **Table 2.1**, overleaf.

**Table 2.1: Critical Success Factors**

Critical Success Factor	Specific	Measurable	Achievable	Relevant	Time Bound
Strategic Fit and Meets Business Needs	<p>The project will contribute to relevant national, regional and local economic development and skills policy priorities:</p> <ul style="list-style-type: none"> <li>• UK Government Plan for Change</li> <li>• New leadership – A fresh start</li> <li>• NSET</li> <li>• National Performance Framework</li> <li>• National Planning Framework 4</li> <li>• Place Principle</li> <li>• Fit for the Future</li> <li>• Falkirk Growth Deal</li> <li>• Building a Fairer Falkirk</li> </ul>	Measurable through interim and ex-post evaluation	The project been developed with input from key strategic partners and builds on the strategic case outlined in the Growth Deal Head of Terms.	<p>The project is addressing relevant national and regional policy priorities and an identified market need/opportunity that has been informed by the SIP</p> <p>In addition, the project will address internal policies of delivery partners related to enhancing the volunteering programme and addressing skills gaps</p>	The strategic fit and contribution has been clearly defined within the strategic case at project inception and as part of the ex-post evaluation, 2034/35
Value for Money	<p>The projects preferred way forward/option is forecast to generate a positive Net Present Benefit of PV £38m at the Falkirk level.</p> <p>In addition, the project will act as a good practice exemplar for public sector reform through the shared utilisation of assets and space to deliver improved outcomes and financial cost savings</p>	<p>The options analysis sets out the anticipated returns based on HM Treasury Green Book Recommended approaches to measurement - Cost Benefit Analysis (CBA). This will form part of the ongoing monitoring and reporting</p>	Based on project performance which has been informed by project-specific data on the forecast level of achievers and/or graduates, sector growth and the financial expenditure profile	Independent CBA that measures the impacts of the direct and follow-on activity based on HM Treasury guidance	Targets to be achieved by 2034/35

Partner capacity and capability	The project will be led by SC and HES	Measurable through ex-post evaluation	SC and HES will utilise existing procurement, delivery, and management structures to procure the delivery of the capital works.	SC and HES Have significant experience of delivering capital projects and HES are one of the core organisations responsible for delivering skills training and education for the historic environment and heritage sector	The project will be managed and delivered by a senior team from HES and SC
Affordability	Delivery of the project within the requested FGGD capital funding of £4m with leveraged funding of £3.7m to meet the cap ex and operational/revenue elements. The project will be financially self-sustaining at the end of the Growth Deal	Through ongoing monitoring and financial appraisal	Based on experience and input from the design and technical team (up to RIBA 4) and a project cash flow model	Financial data will be reviewed and scrutinised by partners as part of the due diligence assessment	Project costs agreed at the outset and all FGGD capital funding committed/spent by 2027/28 (end of the capital phase)
Achievability	The project delivers against all targets (e.g. spend, timescales, impacts/benefits etc) as outlined in the Investment Objectives	Measured through ongoing monitoring and project expenditure data	The activity proposed to be delivered through project has been tested and agreed by partners. This includes interactive workshops and quantitative and qualitative options assessment	This has been informed by consultation with key partners	The project will be start on site in 2025 and complete by 2034/35 (end of the appraisal period)



## 2.4 Long-listed Options

When considering the options it is recognised that the overarching goals of the project to redevelop /regenerate a derelict and vacant site along the Forth and Clyde Canal in a strategic location between key assets including the Falkirk wheel, Helix Park and the Kelpies, drive efficiencies in the operation of two public sector bodies (SC and HES )and to create and deliver new training courses across various qualification levels for traditional skills supporting the long term maintenance and care of Scotland's physical cultural heritage assets.

### 2.4.1 Options Matrix

As part of the Strategic Outline Case (2020/21), seven long list of options were initially developed and considered for the redevelopment of the Lock 16 site. However, there has been significant changes since the original SOC was produced which has subsequently driven changes to the strategic objectives and scope of the project. This includes macroeconomic changes linked to the recovery from the COVID-19 pandemic, war in Ukraine, significant increases in energy costs, general cost of living increases and significant construction cost inflation. Subsequent revision of the options was then carried out in 2022/23 with the preferred approach being for SC to develop Lock 16 as an HQ. However, this proved to be cost prohibitive. The options matrix and long list options development presented in this OBC represents an updated and most recent assessment of options for the Lock 16 project.

An online workshop was held (25<sup>th</sup> April) with members of the SC and HES team to develop a long listed of potential delivery options. Attendees included the core project team:

- SC Designated Project Lead and Project Sponsor: Richard Millar, Chief Operating Officer.
- HES Designated Project Lead: Dr. David Mitchell, Director of Cultural Assets.
- SC Project Manager: Allana Hughes, Senior Development Manager.
- HES Project Manager: Colin Tennant, Head of Technical Conservation.
- EKOS Director: Chris Kelly.

The workshop was facilitated by the business consultants, EKOS and included consideration of the following:

- Developing the long list.
- Scoring and appraising the long list.
- Agreement on the short list and preferred option.
- Scoring the short list against the quantitative and qualitative benefits.



The options matrix (**Table 2.2**) has been developed based on the HM Treasury Options Framework to consider the:

- Scope - what is the coverage of the service to be delivered, defined by one or several parameters including geographic, demographic, quality, time limits and any other relevant factors.
- Service solution - how the scoped outcomes can be delivered, considering available technologies and best practice.
- Service delivery - who in organisational terms is best placed to deliver the scope, and choices preferred.
- Service implementation - how the proposal is to be delivered.
- Funding - an initial indicative cost estimate in light of the preferences for scope, solution, delivery and implementation, and how will it be funded.

**Table 2.2: Option Development**

Scope: Activity	Option: Do nothing	Option: New Scottish Canals Headquarters	Option: Commercial lease of the renovated building	Option: Develop a reduced scale operations and training centre	Option: Develop a full-scale operations and training centre for SC and HES
	Comment: No benefits but also no costs and risk to the public sector	Comment: Delivers some positive impacts	Comment: Delivers some positive impacts	Comment: Delivers some positive impacts	Comment: Delivers some positive impacts
	Outcome: Considered to capture impact of BAU and net additionality for preferred option	Outcome: Discounted as this option is prohibitively expensive	Outcome: Discounted as this option does not guarantee the long-term economic use of the building and it is unlikely that market rates for industrial property will be substantial enough to generate value for money for the public sector	Outcome: Considered as it will regenerate the area and deliver key skills.	Outcome: Preferred Way forward as it regenerates the area and addresses identified need and demand for a wider range of skills.

Service Solution	Option: Business as usual – continuation of SC and HES operations out of existing offices and workshops. Continuation of skills provision through current provides and current courses	Option: Training and operations centre for SC	Option: Training and operations centre for SC and HES
	Comment: No additional benefits but also no costs and risk to the public sector	Comment: Will bring positive benefits and allow SC to train staff and volunteers to a higher quality and greater scale than current	Comment: Will bring positive benefits, allow SC to train staff and volunteers to a higher quality and greater scale than current and allow HES to deliver further education courses in currently underserve subject areas.
	Outcome: Considered to capture impact of BAU and net additionality for preferred option	Outcome: Considered as it will address the objectives of the project and help SC improve its delivery of training and public services	Outcome: Preferred way forward as it meets all the identified needs as outlined in the strategic case



<b>Service Delivery</b>	Option: Third party private sector providers	Option: Partnership approach (SC and HES)	Option: SC led service delivery via SC preferred suppliers, competitive tendering and in house delivery.
	Comment: May gain additional experience and expertise	Comment: Joint approach with a strategic public sector partner providing coordination and support	Comment: Utilisation of suppliers with specialist knowledge and expertise via existing frameworks
	Outcome: Discounted as this could be costly and potential loss of control over the quality of services	Outcome: Preferred way forward as it maximises the expertise and experience of relevant partners and ensure consistent approach to delivering community benefits across the Falkirk Growth Deal	Outcome: Considered due to cost effectiveness of using specialist suppliers, with competitive tendering also potentially lowering operating costs

<b>Implementation</b>	Option: Full project in one phase	Option: Phased service provision	Option: Phased capital approach
	<p>Comment: Complete renovation of the building and Lock 16 site and relocation of SC and HES staff, provision and delivery onsite of SC staff and volunteering training, and HES vocational training.</p> <p>Outcome: Preferred as the new operational and training facilities will regenerate the area and immediately respond to the needs of the organisations, and skills needs of the region.</p>	<p>Comment: SC and HES begin operational, and training activities as described previous, but also leave additional scope for further provision of activities based on securing future revenue funding.</p> <p>Outcome: Considered as this leaves open the possibility for expanded activities in the future, subject to funding, which will generate further socioeconomic benefit to the region.</p>	<p>Comment: SC redeveloped part of the building for operations and training to lower operational costs.</p> <p>Outcome: Discounted as this is not the most efficient use of the asset.</p>



Funding	Option: Falkirk Growth Deal capital funding and SC and HES capital funding only	Option: Falkirk Council capital funding only	Option: Falkirk Growth Deal capital funding and SC and HES capital funding and other public sector funding	Option: Private sector led
	Comment: Would provide enough funding to fully renovate Lock 16	Comment: would divert funds way from other projects; substitution of activity and does not fit with wider strategic priorities	Comment: Would provide enough funding to fully renovate Lock 16 and deliver operational and training activities	Comment: Market failures constraining private sector
	Outcome: Discounted as it does not allocate enough funding for ongoing delivery of public services and training activity.	Outcome: Discounted as the required capital is not available and would be regarded as 'substitution'	Outcome: Preferred way forward as it provides the scale of funding needed to deliver the project	Outcome: Discounted as the private sector would not make a return and therefore not invest

## 2.4.2 Options Matrix – Conclusions

A summary of the long-listed options that will be taken forward for appraisal are presented below:

- Scope Activity:
  1. Business as usual (considered).
  2. Develop a reduced scale operations and training centre (considered).
  3. Develop a full-scale operations and training centre for SC and HES (preferred).
- Service Solution:
  1. Business as usual (considered).
  2. Training and operations centre for SC (considered).
  3. Training and operations centre for SC and HES (preferred).
- Service Delivery:
  1. Partnership approach between SC and HES (preferred).
  2. SC led service delivery via SC preferred suppliers, competitive tendering and in house delivery (considered).
- Implementation:
  1. Full project in one phase (preferred).
  2. Phased service provision (considered).
- Funding:
  1. Falkirk Growth Deal capital funding and SC and HES capital funding and other public sector revenue funding (preferred).

Using the preferred and considered options from the matrix above, it allowed a 'long list' of 7 potential options for Lock 16 to be drawn up, which are presented in **Table 2.3** below.

**Table 2.3: Long List of Options**

Option	Description
Option 1: Business as Usual	Business as Usual – SC retain ownership of Lock 16 but no further development activity happens. SC continues maintenance operations based out of the West Mains office in Falkirk. Volunteer training continues as “in the field” only and further professional training remains constrained. HES continues to operate out of its current office in Stirling. There is no expansion of traditional skills training and levels of activity remain as current (Stonemasonry MAs)
Option 2: Do minimum – A	Operationally the same as Option 1 for SC and HES. However, SC do not hold on to the asset, rather they sell the asset at the market rate recouping some capital, but ultimately this is likely at a loss.
Option 3: Do minimum – B	Operationally the same as Option 1 for SC and HES. However, SC complete the renovation of the Lock 16 site and then commercially let the facilities at market rates.
Option 4: Smaller project	Lock 16 is developed at a reduced scale with physical fit out designed for SC occupation only. SC will move its maintenance staff, professional training and enhanced volunteering activity/training to Lock 16. HES operations/activity will remain as described in Option 1.
Option 5: Preferred way forward	Lock 16 is redeveloped and fitted out to allow for the relocation of SC’s maintenance staff and expansion and improvement in its professional and volunteering training provision as described in Option 3. The redevelopment will also enable the relocation of staff from HES’s Stirling Training Centre to Lock 16, as well as provide space for in work professional training for traditional construction and heritage asset management skills and Modern Apprenticeships in Stonemasonry and Rural Skills. Note this option leaves some space undeveloped with the opportunity for future activity.
Option 6: SC HQ	SC will redevelop Lock 16 to create a new national Headquarters for SC, relocating and collocating significant staff from offices across the region to Falkirk.
Option 7: Do maximum	Everything in Option 5 except that instead of leaving any undeveloped space for potential future activity, all of this space is developed at the outset and will include relocation of further HES staff and renting to commercial operators

The long list has been qualitatively assessed using a SWOT analysis and the scale/scope of benefits that could be delivered (**Table 2.4**). In addition, we have undertaken a Red, Amber, Green (RAG) assessment to consider how each option contributes towards the CSFs and project investment objectives (**Table 2.5**).

The following scoring system has been adopted for the exercise:

	Assessment
	Zero contribution/alignment with project scoring indicator
	Low or weak contribution/alignment with project scoring indicator
	Medium contribution/alignment with project scoring indicator
	High or strong contribution/alignment with project scoring indicator



**Table 2.4: Long List Options SWOT and Benefits Analysis**

Option	Strengths	Weaknesses	Opportunities	Threats	Benefits
Option 1: Business as Usual	Low risk, Straightforward implementation, and no additional cost to any stakeholders	No new benefits accrued	No new opportunities realised	Doesn't deliver on strategic objectives and misses potential opportunity	No additional benefits
Option 2: Do minimum - A	Low risk, Straightforward implementation, and no additional cost to any stakeholders	No ongoing benefits achieved. Site sale will be for a significant financial loss	Opportunity to minimise any further financial risks or commitments.	Risk of loss of control over future development of the canal side site.	Immediate one-off capital receipt
Option 3: Do minimum - B	Low risk, Straightforward implementation, and no additional cost to any stakeholders	No new skills provision to target known areas of need – traditional construction and heritage asset management and Canal skills	Opportunity to minimise any further financial risks or commitments while securing a tenant who will deliver economic activity to the region.	Success in securing a long-term tenant subject to market conditions and returns are likely to be low.	Economic benefits associated with commercial tenant.
Option 4: Smaller Project	Delivers a good range of capital and revenue activity that will address some of the identified need and demand and meets most of the strategic objectives.	No expansion to the provision of Stonemasonry MAs and Rural Skills MAs. No creation of professional micro credentials.	Allows increased efficiency in SC's operations and creates adequate space and infrastructure to deliver enhanced staff training and volunteer training.	Relatively large capital and revenue contributions required, displacive effect from relocating staff from within Falkirk.	Additional economic benefits associated with volunteering and new posts created to deliver this training.
Option 5: Preferred Way Forward	Delivers a good range of capital and revenue activity that will address the identified need and demand and meets the strategic objectives	Some displacive effects from relocating SC staff within Falkirk and HES staff from Stirling to Falkirk.	Same opportunities as Option 4 plus additional skills and training pathways to be created for the traditional skills through HES.	Relatively large capital and revenue contributions required increasing financial risk.	Large socioeconomic benefits – job creation, skills uplift, MA in study work, land value, residual value, volunteering value

Option 6: SC HQ	Delivers the greatest operational efficiency by bringing canal offices together under one roof. Regenerates the Lock 16 site.	Does not generate any new economic activity at the National level.	Opportunity to regenerate the site and wider area and bring Significant activity and footfall to an area of relatively high deprivation.	Very expensive option which is beyond the current set of identified funding sources. Deliverability would depend on securing significantly more capital funding.	Operational efficiency reduced operational carbon.
Option 7: Do Maximum	Aspirational model that addresses need and demand as Option 5 does and embeds further activity into the operational model.	Most expensive option, both in terms of OPEX and CAPEX	Could significantly enhance and diversify the offer for skills and training provision and provide increase community engagement, additional workshop space and office space.	Very expensive and therefore incurs greater level of financial risk. Additional operational funding would need to be secured from third party funders to deliver additional activities.	Large socioeconomic benefits - job creation, skills uplift, MA in study work, land value, residual value, volunteering value



Table 2.5: RAG Assessment – Long List Options Contribution to CSF's and Investment Objectives

	Contribution to Critical Success Factors					Contribution to Investment Objectives				
	Strategic Fit and Meets Business Needs	Value for Money	Supplier capacity and capability	Affordability	Achievability	Obj 1: Support place-based capital-led regeneration within Camelon / Tamfourhill, one of Falkirk's most deprived communities	Obj 2: Address the skills and labour gaps within the historic environment sector	Obj 3: Enhance education and training pathways for traditional and heritage skills	Obj 4: Increase awareness of opportunities to engage with the historic environment and heritage sector	Obj 5: Act as a good practice exemplar for collaboration and public sector reform to drive efficiencies and achieve net zero emissions
Option 1: Business as Usual										
Option 2: Do minimum - A										
Option 3: Do minimum - B										
Option 4: Smaller Project										
Option 5: Preferred way forward										
Option 6: SC HQ										
Option 7: Do maximum										



### 2.4.3 Long List Options – Conclusions

Of the initial seven options that were considered within the long list, four will be taken forward for a more in-depth economic appraisal. The decision to take certain option forward was based on a multitude of factors, as presented in the RAG and SWOT analyses above. The options to be taken forward are Options 1, 3, 4 and 5.

**Option 1** was progressed as it is the business-as-usual scenario and it remains important to establish the baseline benefits/costs associated with the counterfactual.

**Option 2** was considered to take forward as a HM Treasury guideline recommended ‘do minimum’ option. However, the financial loss that would result for the sale was assessed to be too great and there would be a loss of future control over the Lock 16 site. Therefore, this option was not taken forward.

**Option 3** has also been taken forward as HM Treasury guidelines recommend assessing what a ‘do minimum’ option would look like above the BAU scenario.

**Option 4** has potential to make a strong contribution to the investment objectives although it does not fully address the skills and labour gaps within the historic environment sector and provides only marginal enhancement to the education and training pathways for traditional skills. This option is also relatively low cost and therefore could provide good value for money. Therefore, Option 4 is carried forward.

**Option 5** has potential to make a strong contribution to the investment objectives of the project and provides balance across the capital regeneration objectives and operational skills and labour gap and heritage career pathways and makes the best of public sector operational efficiency between SC and HES. While this option required third party funding to be secure, the National Lottery Heritage Fund has already committed £3.7m to the project. This is taken forward as the preferred option.

**Option 6** will contribute strongly to objective 1 and provide a strong capital-based regeneration of the Lock 16 site and bring significant activity to the area. However, this activity is largely displaced from elsewhere in Falkirk and elsewhere in Scotland and therefore the net socioeconomic impacts are likely to be marginal. This option is also prohibitively expensive to fit out the building to the specification required for a new Headquarters. This option is not taken forward.

**Option 7** will likely offer the most in total socioeconomic benefit as it will deliver all the benefits outlined in option 5, with a strong contribution to all investment objectives and offer further benefits through accommodating commercial operators onsite (e.g. supporting jobs).

However, it was deemed that this option is too expensive to deliver and would depend on securing significant longer term revenue funding from third party funders. This option has not been taken forward.

## 2.5 Short-Listed Options

The options short-listed and taken forward for further detailed appraisal are as follows. Note that the long-listed option 1, 3, 4, 5 that have been carried forward are now referred to as options 1, 2, 3 and 4, respectively.

Option	Description
Option 1: Business as Usual	<p>Business as Usual – This option implies maintaining the existing offices for SC and HES (in Grangemouth and Stirling, respectively). SC will continue to be constrained by inadequate space, limiting their training and volunteer activities. HES will continue to deliver lower a lower number of Stonemasonry MAs, and no rural skills training.</p> <p><b>Outcome:</b> Absence of proactive measures will not address the market gap in education and training for traditional and heritage skills. SC and HES will miss an opportunity for public sector reform and improve operational efficiency.</p>
Option 2: Do minimum	<p>This option involves SC completing the remaining enabling works for Lock 16 and then letting out the building for general light industrial commercial use.</p> <p><b>Outcome:</b> This will deliver physical regeneration of the site and bring a vacant and derelict asset back to viable economic use, however, it will not address the market gap in education and training for traditional and heritage skills. SC and HES will miss an opportunity for public sector reform and improve operational efficiency.</p>
Option 3: Smaller project	<p>This choice includes a smaller scale redevelopment and fit out of Lock 16 with SC moving its operations, maintenance, engineering and volunteering activities from West Mains in Grangemouth.</p> <p><b>Outcome:</b> Regeneration of Lock 16 will be completed an SC will gain increased operational efficiency and have dedicated space to increase and improve its volunteering activities and develop training micro credentials.</p>
Option 4: Preferred way forward	<p>This option encompasses the regeneration if Lock 16 and the relocation of SC staff as described in option 3. HES will collocate its staff from Stirling and have the physical infrastructure to deliver more and enhanced MAs and professional training in the historic environment sector.</p> <p><b>Outcome:</b> Regeneration of Lock 16 will be completed an SC and HES will gain increased operational efficiency. SC have dedicated space to increase and improve its volunteering activities and develop training micro credentials. HES will have dedicated infrastructure to deliver additional Stonemasonry MAs, new Rural skills MAs and new historic environment professional training developing career pathways that can also link with SC volunteering/training.</p>

## 2.5.1 Option Specification

Further detail on the specification/scope for the shortlisted options is presented below.

**Table 2.6: Shortlisted Option Specification**

	Option 1	Option 2	Option 3	Option 4
	Business as Usual	Do Minimum	Smaller Project	Preferred Way Forward
Location	West Mains in Grangemouth and Cunningham Road facility in Stirling	West Mains in Grangemouth and Cunningham Road facility in Stirling and Lock 16	Lock 16	Lock 16
Size	No new footprint	3,200 sqm of new light industrial space	3,200 sqm of mixed office and training space for SC	3,200 sqm of mixed office and training space for SC, workshop and training space for HES
Activities	SC and HES staff continue to operate out of existing offices. 12 Stonemasonry MAs delivered per annum. 400 SC volunteers trained at a basic level.	Option 1 plus 50 gross FTEs based at commercial tenant operating out of Lock 16.	SC staff decanted to Lock 16. Two new volunteer trainer positions. 200 additional SC volunteers, 100 of which are extensively trained under new programmes and receiving SC recognised micro-credentials	Option 3 plus HES staff decanted to Lock 16 and 3 new lecturer/trainer positions. 3 additional Stonemasonry MAs per annum, 5 Rural skills MAs per annum, 30 traditional construction SQA per annum, 30 rural asset management SQAs per annum.



## 2.6 Economic and Social Costs and Benefits

This section provides a detailed overview of the main costs and benefits associated with each of the short-listed options.

### 2.6.1 Estimating Benefits

The assessment of benefits is based on HMT Green Book guidance and includes consideration of:

#### Cash Releasing Benefits

Operational cost savings – SC will lower their costs of operation compared to their current lease at West Mains in Grangemouth. Note this happens under Options 3 and 4 only.

Rental income – SC will generate a commercial income through the lease of completed industrial version of Lock 16 under Option 2.

Commercial income – HES earns commercial income through training provision of contracted private sector training.

#### Non-Cash Releasing Benefits

The non-cash releasing benefits include economic benefits and value associated with the regeneration of Lock 16.

#### Economic Benefits

The appraisal has used a consistent metric for measuring the non-cash releasing benefits across the options - net direct GVA. This is UK and Scottish Government preferred approach to measuring economic value and is linked to the forecast benefits generated through the options. Net direct GVA is generated through the following routes<sup>4</sup>.

New onsite employment activity - new jobs created with HES and SC deliver the project, covering the following roles: SC Volunteer and Employability Manager, SC Volunteer Coordinator, HES Project Office, HES Training Officer, HES Activity Plan and QA Coordinator. FTEs (annual average) created/supported are estimated at:

- Option 1 – 0.0 FTEs.
- Option 2 – 0.0 FTEs.
- Option 3 – 2.0 FTEs.

---

<sup>4</sup> Please note that the 'routes to impact' will be specific for each option, therefore not all non-cash releasing (net direct GVA) indicators will be relevant.

- Option 4 – 5.0 FTEs.

As these posts will be “non-profitmaking” we have used employment costs (salaries, National Insurance, and pension contributions) as a proxy for GVA.

Leveraged industrial onsite employment activity – new jobs created within the business that will commercially let the completed Lock 16 building under option 2 only. It is assumed that this business will operate in the light industrial sector. Under Options 3 and 4, SC will relocate to Lock 16 leaving the 1,200 sqm West Mains site vacant, we assume that a light industrial based business will take this space.

FTEs (annual average) created/supported are estimated at<sup>5</sup>:

- Option 1 – 0.0 FTEs.
- Option 2 – 50.0 FTEs.
- Option 3 – 20.0 FTEs.
- Option 4 – 20.0 FTEs.

Relocation of HES Staff – HES will relocate 7 FTE jobs from their current location at Cunningham Road in Stirling to Lock 16 in Falkirk. Note that this only occurs under Option 4 and is only counted at the local/Falkirk level (at the Scotland-level these benefits are netted off to account for substitution). Under all other options, these 7 FTEs remain located at Stirling.

Productivity Uplifts/Graduate premiums – GVA generated by increased productivity in the traditional construction sector and historic environment sectors – through increasing the uptake of skills training in the student base and workforce. This is modelled through the uplift in annual salaries (the “wage premium”) earned by those that upskill/ reskill and converted to GVA using published economic and financial data to derive an average co-efficient.

- Pathways of re/upskilling and associated “wage premiums” have been identified and modelled:
  - Completion of a Modern Apprenticeship in Stonemasonry (MA) course and entry into relevant industries.
  - Completion of a Modern Apprenticeship in Rural Skills (MA) course and entry into relevant industries (option 4 only).

---

<sup>5</sup> Employment calculated based on [UK Employment Densities Guide, 2010](#) – 1 FTE per 47 sqm of floorspace for class B1(c) Light Industry (Business Park).

- Completion of professional training qualification SQA Customised Award: Built Asset Conservation (SCQF 8) and resulting increased productive capacity in the labour force.
- Completion of professional training qualification at PDA Repair & Maintenance of Traditional Masonry Structure (SCQF 6) and resulting increased productive capacity in the labour force.
- GVA generated by MA in study employment. Those enrolled in MA courses are typically employed on a full-time basis (approx. 30 hours per week) by a host employer.

The assessment has been informed by two longitudinal research studies<sup>6</sup> that examined the impact of completing an MA course and accessing further industry training on annual earnings and a Department for Work and Pension study that quantified the impact on wage of professional training.

The economic model follows a student's journey through their course accounting for course level, the time it takes to complete the course, and whether they enter the workforce upon completion.

The value and phasing in of the wage premiums earned is also dependent on course subject and level. The number of students/trainees expected to be enrolled in each type of course has been provided by HES and is based on current enrolment and projected capacity.

**Table 2.7** shows the annual number of students enrolled in Lock 16 based courses.

**Table 2.7: Students Enrolled in Academic Courses (annual basis)**

Course	Level	Students (Option 1)	Students (Option 2)	Students (Option 3)	Students (Option 4)
Stonemasonry	MA SCQF Level 6	12	12	12	15
Rural Skills	MA SCQF Level 5	0	0	0	5
Planning, Surveying and Recording the Condition of Built Assets for Conservation	Diploma SCQF Level 8	0	0	0	30
Repair and Maintenance of Traditional Buildings	PDA SCQF Level 6	0	0	0	50

<sup>6</sup> Longitudinal Educational Outcomes from Colleges 2016/17, see [here](#), and Longitudinal Educational Outcomes from Modern Apprenticeships 2020/21, see [here](#).



To convert wage premium based salaries to GVA, we apply sector specific economic coefficients sourced from SABS.

A full description of the methodology, data and assumptions is found in the technical Economic Appendix (**Appendix H**).

To capture economic impacts generated by in-study employment we rely on apprenticeship pay data published by Scottish Government<sup>7</sup>. We then apply sector specific economic coefficients sourced from SABS to convert wages to GVA.

Volunteering – the equivalent economic value of volunteer work based on total hours and a value equivalent to the national minimum wage of £12.21. SC already supports 400 volunteers per annum, this is expected to increase to 610 per annum and an additional 105 “highly trained” volunteers who will train others in external organisation who will in turn support 420 volunteers.

**Table 2.8** summarises volunteer activity delivered under each option.

**Table 2.8: Volunteer Activity**

Option	Total Volunteers
Option 1	400
Option 2	400
Option 3	1,135
Option 4	1,135

### **Regeneration Benefits**

Asset residual value – the value of the built asset (the refurbished Lock 16 site) at the end of the appraisal period (year 10). This is based on the value of the 10 years market rent received under an alternative use situation.

Land value uplift – the price uplift in the value of the land comprise the Lock 16 site based on the creation of a commercially viable asset and increase value of land use. This is determined by the formula for land value uplift as set out in the HMT Greenbook. This formula is: Land price = Gross Development value – (development costs + fees + profit).

Amenity value – the value received by local residents who benefit from a vacant and derelict site being brought back to productive economic use and the increased activity of people into the area.

---

<sup>7</sup>Apprenticeship Pay Survey. [See here](#).

This is based on the population of the data zone in which Lock 16 is located and the 6 additional datazones adjacent.

### Differing Approaches to Measuring Non-Cash Releasing Benefits

The UK and Scottish Government adopt different approaches to measuring net direct GVA, considered below.

The net direct GVA impacts at the Falkirk and Scotland level are based on a 'spatial analysis' or 'place based' approach – this reflects the over-arching goal of the FDG to deliver inclusive growth.

At the UK level we have followed Green Book guidance with regards to productivity uplift and which measures the benefits generated through supporting better/higher paid jobs (productivity gains).

Please note that the annualised benefits for each option are presented within **Appendix H**, whilst the section below presents the total impacts/benefits (discounted and non-discounted).

## 2.6.2 Estimating Costs

The costs associated with the project options consider capital costs associated with the redevelopment of the Lock 16 site and revenue costs associated with project activity delivery.

It covers the following main budget lines:

- Capital costs:
  - Enabling works.
  - Building redevelopment.
  - Consents and surveys.
  - Professional fees.
  - Contingencies.

Please note that the 'sunk costs' associated with previous works to make the building wind and watertight have been discounted from the economic appraisal as per Green Book guidance.

- Revenue costs:
  - Staff and oncosts.
  - Volunteer training costs.
  - Schools engagement.
  - Craft your career.
  - Sector workforce development.

- Sector support.
- Outreach and engagement.
- Environmental/carbon costs:
  - Capital/embodied carbon emissions.
  - Ongoing operational carbon emissions.

As per [Supplementary Green Book Guidance](#) for Cost Benefit Appraisal it is recommended to apply optimism bias of 2% to 24% for 'standard building projects', the appraisal has therefore included optimism bias at the upper end of the scale – 24%. We have also added a 20% optimism bias on revenue costs.

Please note that the guidance also recommends applying optimism bias to ongoing operational revenue costs, however, there is no detail on the level of cost increase that should be applied. In addition, we would highlight that the operational costs are derived from SC and HES current costs and therefore do not expect significant deviation. Nonetheless, to ensure we have adopted a robust approach to assessing risk, we have modelled scenarios within the sensitivity analysis where operational costs overrun at + 20% per annum.

### **Treatment of Costs**

As per Green Book guidance, within the Economic Case all costs have been adjusted to account for:

Constant prices – all monetary values are expressed as a constant price i.e. expressed as a 'real price' for that specific time period. The Office for National Statistics (ONS) publishes time-series data for a series of price indices and we apply the Gross Domestic Product (GDP) deflator to present all figures in constant prices (2025 prices).

Present values – considers the Social Time Preference Rate (STPR) of consumption, i.e. the rate used for discounting future benefits and costs. We use the HM Treasury recommended discount rate of 3.5% to convert all costs and benefits to 'present values', so that they can be compared.

A detailed presentation of costs can be found in **Appendix H**.



## Impact Horizons

Please note that our 'impact horizon' for appraising the costs and benefits of the project is 10 years, 2025 - 2035. The project's focus is placed-based regeneration and includes the refurbishment of a building, which would typically be assessed over a 30-year period (as per Green Book recommendations).

However, as the project outcomes and non-cash releasing benefits are being achieved through enhancements to productivity brought about through a 'training premium' effect, it was considered more appropriate to measure the impact over 10 years. This also aligns with the FGGD programme period.

## 2.7 Net Present Social Value Findings

The Net Present Social Value (NPSV) is summarised over in **Tables 2.9 to 2.12** and considers the 10-year Deal funding period up to 2034/35. The NPSV is the (+/-) difference between all the quantified costs and benefits over the relevant appraisal period.

Please note that within the Cost Benefit Appraisal we have presented the NPSV at three spatial levels – Falkirk local authority (the Growth Deal area), Scotland, and UK level. This reflects the different approaches that both governments adopt to calculating the net direct GVA (non-cash releasing benefits) of public funded interventions.

**Table 2.9: Option 1 - Cost Benefit Analysis**

	10-year Undiscounted (£m)	10- year Net Present Value (£m)
Capital	£4.2	£4.2
Revenue/ current	£0.0	£0.0
Third-Party Public-Sector Costs	£2.3	£2.0
Carbon	£0.2	£0.1
Optimism bias	£0.0	£0.0
Total costs	£6.7	£6.3
<b>Less</b> cash releasing benefits	£0.3	£0.2
Costs net cash savings	£6.4	£6.1
Non-cash releasing benefits - Falkirk	£24.4	£16.8
Non-cash releasing benefits - Scotland	£28.3	£19.2
Non-cash releasing benefits - UK	£29.9	£20.1
<b>NPSV - Falkirk</b>	<b>£17.9</b>	<b>£10.7</b>
<b>NPSV Scotland</b>	<b>£21.9</b>	<b>£13.1</b>
<b>NPSV - UK</b>	<b>£23.5</b>	<b>£14.0</b>

Table 2.10: Option 2 - Cost Benefit Analysis

	10-year Undiscounted (£m)	10- year Net Present Value (£m)
Capital	£9.7	£9.6
Revenue/ current	£0.0	£0.0
Third-Party Public-Sector Costs	£2.3	£2.0
Carbon	£0.4	£0.4
Optimism bias	£1.3	£1.3
Total costs	£13.8	£13.2
Less cash releasing benefits	£1.4	£1.2
Costs net cash savings	£12.4	£12.0
Non-cash releasing benefits – Falkirk	£40.7	£30.5
Non-cash releasing benefits – Scotland	£48.2	£35.9
Non-cash releasing benefits – UK	£38.2	£26.8
<b>NPSV - Falkirk</b>	<b>£28.4</b>	<b>£18.4</b>
<b>NPSV Scotland</b>	<b>£35.8</b>	<b>£23.9</b>
<b>NPSV - UK</b>	<b>£25.8</b>	<b>£14.8</b>

Table 2.11: Option 3 Cost Benefit Analysis

	10-year Undiscounted (£m)	10- year Net Present Value (£m)
Capital	£10.7	£10.5
Revenue/ current	£2.6	£2.2
Third-Party Public-Sector Costs	£2.3	£2.0
Carbon	£0.6	£0.6
Optimism bias	£2.1	£1.9
Total costs	£18.3	£17.2
<b>Less</b> cash releasing benefits	£1.2	£1.0
Costs net cash savings	£17.1	£16.2
Non-cash releasing benefits – Falkirk	£45.1	£34.0
Non-cash releasing benefits – Scotland	£53.6	£40.4
Non-cash releasing benefits – UK	£40.1	£28.4
<b>NPSV - Falkirk</b>	<b>£28.0</b>	<b>£17.9</b>
<b>NPSV Scotland</b>	<b>£36.6</b>	<b>£24.2</b>
<b>NPSV - UK</b>	<b>£23.1</b>	<b>£12.2</b>

**Table 2.12: Option 4 - Cost Benefit Analysis**

	10-year Undiscounted (£m)	10- year Net Present Value (£m)
Capital	£13.4	£13.1
Revenue/ current	£7.7	£6.4
Third Party Public Sector Costs*	£0.0	£0.0
Carbon	£0.5	£0.5
Optimism bias	£3.8	£3.4
Total costs	£25.4	£23.5
<b>Less</b> cash releasing benefits	£3.1	£2.7
Costs net cash savings	£22.4	£20.8
Non-cash releasing benefits – Falkirk	£82.0	£58.9
Non-cash releasing benefits – Scotland	£105.3	£73.9
Non-cash releasing benefits – UK	£97.1	£64.5
<b>NPSV - Falkirk</b>	<b>£59.7</b>	<b>£38.0</b>
<b>NPSV Scotland</b>	<b>£83.0</b>	<b>£53.1</b>
<b>NPSV - UK</b>	<b>£74.7</b>	<b>£43.7</b>

\*these are embedded with the revenue/current cost of the project that is based on the financial model associated with this option.

### 2.7.1 Benefit to Cost Ratio (BCR)

Measuring the total benefit generated by each option against its total cost yields the project's benefit to cost ratio or BCR – a measure of value for money. **Table 2.13a** presents the BCRs. Note that the total benefit is equal to the present value of cash releasing benefits plus non-cash releasing benefits and total cost is equal to the present value of the project costs (capital + optimism bias + revenue + third party public sector).



Table 2.13a: Benefit to Cost Ratios

	10-year		
Option	Total Benefit	Total Cost	BCR
<b>Falkirk</b>			
Option 1	£17.0	£6.3	2.7
Option 2	£31.6	£13.2	2.4
Option 3	£35.0	£17.2	2.0
Option 4	£61.5	£23.5	2.6
<b>Scotland</b>			
Option 1	£19.5	£6.3	3.1
Option 2	£37.1	£13.2	2.8
Option 3	£41.4	£17.2	2.4
Option 4	£76.6	£23.5	3.3
<b>UK</b>			
Option 1	£20.3	£6.3	3.2
Option 2	£28.0	£13.2	2.1
Option 3	£29.4	£17.2	1.7
Option 4	£67.2	£23.5	2.9

Note: Figures in millions and rounded to nearest £0.1m and discounted at 3.5%.

The NPSV and BCR tables above show the total benefit that will be generated across the Lock 16 activities. It is also valuable to quantify the uplift from the business-as-usual position that the £4m FGSD investment will leverage – this can be considered as the NET ADDITIONAL BENEFIT. The net additional benefit has also been compared against the net additional costs (i.e. the total direct cost of the project for each option).

At the Falkirk level, Lock 16 will help generate an additional PV GVA of £44.5m in the local economy. Both the net additional benefit and net additional cost are discounted over the 10-year project period.

**Table 2.13b: Net Additional Benefits**

		Net Additional Uplift in GVA (£m)	Net additional Project Cost (£m)	Impact Ratio
Option 2	Non-cash releasing benefits – Falkirk	£14.6	£6.9	<b>2.1</b>
	Non-cash releasing benefits – Scotland	£17.6	£6.9	<b>2.6</b>
	Non-cash releasing benefits – UK	£7.7	£6.9	<b>1.1</b>
Option 3	Non-cash releasing benefits – Falkirk	£18.0	£10.8	<b>1.7</b>
	Non-cash releasing benefits – Scotland	£21.9	£10.8	<b>2.0</b>
	Non-cash releasing benefits – UK	£9.1	£10.8	<b>0.8</b>
Option 4	Non-cash releasing benefits – Falkirk	£44.5	£17.2	<b>2.6</b>
	Non-cash releasing benefits – Scotland	£57.1	£17.2	<b>3.3</b>
	Non-cash releasing benefits – UK	£46.9	£17.2	<b>2.7</b>

## 2.7.2 Economic and Social Value - Option Ranking

**Table 2.14** summarises and ranks and scores for each option based on the NPSV and BCR.

Options are ranked/scored from 1st (option that delivers the greatest NPSV and BCR) to 4th (option that delivers the lowest economic returns).

A total score is calculated by summing scores, and a final rank is presented with the lowest ranking indicating the best performance.

Table 2.14: Summary of Results

	Ranking and Scoring	
	10-year NPSV	10-year BCR
<b>Falkirk</b>		
Option 1	4	2
Option 2	3	3
Option 3	2	4
Option 4	1	1
<b>Scotland</b>		
Option 1	4	2
Option 2	3	3
Option 3	2	4
Option 4	1	1
<b>UK</b>		
Option 1	4	1
Option 2	3	3
Option 3	2	4
Option 4	1	2

## 2.8 Quantitative and Qualitative Benefits Appraisal

The quantitative and qualitative benefits that are likely to be generated through each of the short-listed options have been assessed as part of the options scoring workshop. They have been assessed against each of the investment objectives – with each option scored (1 – 10) on the following basis.

- 1 – 3: Limited contribution to delivering the intended benefits.
- 4 – 6: Delivers some of the intended benefits
- 7 – 10: Makes a strong contribution to delivering wider quantitative and qualitative benefits.



	Option 1: BaU	Option 2: Do Minimum	Option 3: Smaller Project	Option 4: Preferred Option
IO 1: Support place-based capital-led regeneration within Camelon / Tamfourhill, one of Falkirk's most deprived communities	2	7	5	7
IO 2: Address the skills and labour gaps within the historic environment sector	4	4	4	8
IO 3: Enhance education and training pathways for traditional and heritage skills	4	4	4	8
IO 4: Increase awareness of opportunities to engage with the historic environment and heritage sector	2	2	8	9
IO 5: Act as a good practice exemplar for collaboration and public sector reform to drive efficiencies and achieve net zero emissions	2	6	7	8
<b>Total</b>	<b>17</b>	<b>22</b>	<b>26</b>	<b>40</b>

### Option 1: BaU

IO 1: SC have already delivered an initial phase to make the building structurally secure (wind and watertight) - limited impact and no additional benefits.

IO 2: HES will not develop new micro-credentials targeted at industry (or will be significant scaled back) as they do not have teaching/training facilities to accommodate additional provision - delivers some benefits.

IO 3: HES will continue to deliver skills education and training from Strirling albeit this will not address the forecast additional demand - delivers some benefits.

IO 4: SC will continue to deliver its volunteer programme but will not be able to increase capacity or improve the training for volunteers. - delivers limited benefits.

IO5: Sale of the asset means that SC will no longer be viable for Non-Domestic Rates so will reduce the ongoing costs.

### **Option 2: Do Minimum:**

IO 1: SC have already delivered an initial phase to make the building structurally secure (wind and watertight). If they were to secure a commercial tenant via a leasehold agreement this could bring economic activity to the region. Has the potential to deliver significant local benefits.

IO 2: HES will not develop new micro-credentials targeted at industry (or will be significant scaled back) as they do not have teaching/training facilities to accommodate additional provision – delivers some benefits.

IO 3: HES will continue to deliver skills education and training from Strirling albeit this will not address the forecast additional demand – delivers some benefits.

IO 4: SC will continue to deliver its volunteer programme but will not be able to increase capacity or improve the training for volunteers. – delivers limited benefits.

IO5: Sale of the asset means that SC will no longer pay Non-Domestic Rates at Lock 16 as these would be passed on to the tenants (will reduce the ongoing costs) and will bring additional income to SC via the rental agreement.

### **Option 3: Smaller Project:**

IO 1: SC have already delivered an initial phase to make the building structurally secure (wind and watertight). Relocation of the maintenance, operations, and engineering team would bring new activity to the area (albeit this will be displaced from another part of Falkirk) as well as the new volunteer manager and co-ordinator jobs. Bringing the building back into use and having people using it regularly will drive positive perception of the area. Option will deliver some benefits.

IO 2: HES will not develop new micro-credentials targeted at industry (or will be significant scaled back) as they do not have teaching/training facilities to accommodate additional provision – delivers some benefits.

IO 3: HES will continue to deliver skills education and training from Strirling albeit this will not address the forecast additional demand – delivers some benefits.

IO 4: SC will be able to deliver its enhanced volunteer programmes for the public and train the trainer activity for canal societies and social enterprises. There will also be space for outreach and engagement. Has the potential to deliver significant benefits.

IO5: Reuse of the asset means that SC will no longer be 'double paying' for Non-Domestic Rates at two premises and will no longer have additional leasehold costs associated with leasing West Mains. Delivers significant additional benefits.

#### Option 4: Preferred Option:

IO 1: SC have already delivered an initial phase to make the building structurally secure (wind and watertight). Relocation of the maintenance, operations, and engineering team and HES training and education activity would bring new activity to the area (albeit some of this will be displaced) as well as the new volunteer manager and co-ordinator jobs. Bringing the building back into use and having people using it regularly will drive positive perception of the area. Has the potential to deliver significant local benefits.

IO 2: HES will develop new micro-credentials targeted at industry and will be able to accommodate this additional provision from new teaching/training facilities – delivers significant benefits.

IO 3: Will support HES to enhance capacity in its MA programme and deliver training/education support from bespoke premises. Delivers significant benefits.

IO 4: SC will be able to deliver its enhanced volunteer programmes for the public and train the trainer activity for canal societies and social enterprises. There will also be space for outreach and engagement. Has the potential to deliver significant benefits.

IO5: Reuse of the asset means that SC will no longer be 'double paying' for Non-Domestic Rates at two premises and will no longer have additional leasehold costs associated with leasing West Mains. In addition, it will generate rental income to SC via the leasehold agreement with HES (note there are also cost savings for HES with the annual leasehold being less than the current agreement in Stirling).

## 2.9 Risk Appraisal

**Table 2.15** provides a qualitative appraisal of risk against the following broad categories (as noted in HM Treasury guidance for preparing OBCs) – business risk, service risk, and external systemic and catastrophe risk.

The risks for each option have been scored to give an overall risk rating score based on the following:

- Probability (i.e. how likely they are to occur) – scored 1 to 5, with 1 being low probability to 5 being high probability (a).
- Impact (i.e. what effect it will have on the successful delivery of the project/ option and achieving the investment objectives) – scored 1 to 5, with 1 being low impact and 5 being high impact (b).

- Weighting (i.e. relative adjustment for the scale of the potential negative impacts). The weighting assigned to each risk is considered to be: - low (+5%), medium (+10%), or high (+20%) and is outlined below.

**Overall risk rating score (d) = ((probability (a) + impact (b)) \* weighting (c))**

Please note that in terms of monetising risk, the economic appraisal has included an optimism bias of +24% on the project capital costs and further sensitivity analysis (switching values) is presented. As the project moves to Full Business Case, the service risks will be estimated and quantified in monetary terms, as “equivalent likelihood values” (cost of mitigation multiplied by the likelihood of occurrence).



Table 2.15: Risk Appraisal

Option 2															Option 3					Option 4				
		Weight	Prob	Impact	Score	W'ted	Prob	Impact	Score	W'ted	Prob	Impact	Score	W'ted										
Business Risk																								
Reputational risk	The risk that there will be an undermining of customer's/media's perception of SC and HES ability to fulfil its business requirements	5%	1	2	3	3.2	2	2	4	4.2	2	3	5	5.25										
Service Risk																								
Design risk	Design cannot deliver the services to the required quality standards	10%	1	2	3	3.3	2	2	4	4.4	2	2	4	4.4										
Capital Risk	Refurbishment of building is not completed on time, to budget and to specification	20%	2	4	6	7.2	2	5	7	8.4	3	5	8	9.6										
Programme intelligence risk	Initial scoping works are inadequate, and costs and timescales changed	10%	1	3	4	4.4	2	4	6	6.6	2	4	6	6.6										
Environmental risk	Programme will negatively affect others and cause environmental damage	10%	2	2	4	4.4	2	2	4	4.4	2	2	4	4.4										
Procurement risk	Procurement process is not successful or challenges with contractual arrangements e.g. disputes	10%	1	3	4	4.4	1	3	4	4.4	1	3	4	4.4										
Operational risk	Operating costs increase from budget and that project cannot be delivered as intended	20%	2	3	5	6	3	4	7	8.4	4	5	9	10.8										
Demand risk	Demand for service (students and industry) does not match the levels assumed within the emerging Business Plans	20%	1	3	4	4.8	3	4	7	8.4	3	5	8	9.6										

Maintenance risk	Maintenance and repair vary from budget	20%	1	2	3	3.6	2	4	6	7.2	2	4	6	7.2
Technology risk	Changes in technology result in services being provided using sub-optimal technical solutions	20%	1	1	2	2.4	1	2	3	3.6	1	2	3	3.6
Funding risk	The value of funding leveraged from all public sources varies from the levels forecast	20%	1	3	4	4.8	3	3	6	7.2	3	4	7	8.4
Funding risk	The value of private sector finance leveraged varies from the levels forecast	20%	1	1	2	2.4	3	4	7	8.4	3	4	7	8.4
Funding risk	Availability of funding or delays in decision-making leads to delays and reductions in scope as a result of reduced monies	20%	2	2	4	4.8	3	4	7	8.4	3	4	7	8.4
<b>External systemic and catastrophe risks</b>														
Policy risk	Changes in policy leading to unforeseen changes in priorities – i.e. partners no longer support the programme	10%	1	2	3	3.3	1	2	3	3.3	1	2	3	3.3
Technological disruption risk	New techniques emerging that completely transform the way things are done	20%	1	1	2	2.4	1	2	3	3.6	1	2	3	3.6
Macro-economic shocks	Unforeseen implications e.g. global financial markets - cost of living crisis, inflation, energy costs etc	10%	2	3	5	5.5	2	3	5	5.5	2	3	5	5.5
<b>Total</b>					<b>58</b>	<b>67</b>			<b>83</b>	<b>96</b>			<b>89</b>	<b>103</b>



Our key observations from the qualitative risk scoring exercise are provided below.

**Option 1:** Business as usual: No new activity is forecast to be delivered under the Business-as-Usual position – there are, however, some service risks for both SC and HES to consider. This includes the suitability of the current training facilities (for students and volunteers), the ongoing Non-Domestic Rates and leasehold costs (which are more expensive than proposed at Lock 16) and contractual risks related to the break clause.

There are also wider risks associated with Business as Usual. For example, the Strategic Case has identified both a market need, and opportunity to develop new pathways and support the historic and heritage sector and for wider support to engage people more generally.

The main risks are therefore commercial in terms of the opportunity cost of inaction and reputational risk for SC and HES – this option and is the lowest risk option and ranked 1st.

**Option 2:** The option is considered medium-level risk as the focus is to develop new space (general/light industry space) that SC will lease on a commercial basis. The main risk is with regard to the overall offer not meeting the demand side issues set out in the Strategic Case and potential challenges with capital funding and delivery – albeit these are considered ‘standard’ for a capital project of this nature.

This option represents the least risky of the three delivery options and therefore ranks 2nd.

**Option 3:** The main risks are in relation to the capital element – deliverability, affordability etc. This option is medium-high risk and ranks 3rd.

**Option 4:** This option carries a greater level of risk due to the larger capital requirements and integration of two organisations training and operational activity. This option also relies on ongoing engagement and interest from industry to help drive new income streams and from students undertaking qualifications in traditional skills.

The option is the most ambitious by scale and costs and carries additional risk in terms of affordability and deliverability. Therefore, this option is medium-high risk and ranked 1st and considered the riskiest.

## 2.10 The Preferred Option

**Table 2.16** provides a summary of the options ranking across the economic impact, quantitative and qualitative benefits and risk appraisals presented above.

**Table 2.16: The Preferred Option - Ranking across Appraisals**

Evaluation Results	Option 1	Option 2	Option 3	Option 4
Economic appraisals	4	2	3	1
Benefits appraisal	4	3	2	1
Risk appraisal	1	2	3	4
Overall Ranking	4	3	2	1

Based on the evidence presented within the Economic Case we have identified **Option 4** as the preferred option to take forward.

## 2.11 Sensitivity Analysis

It is good practice to include an element of sensitivity analysis within the economic appraisal and we have considered two approaches:

- Switching values – the % change required within the PV public sector costs or benefits (PV Cash and non-cash releasing) of the preferred way forward option to deliver a BCR of 1 (or below).
- Scenario planning – adjusting (cost and benefit) parameters within the cost-benefit model to assess the scale of impact on the preferred option. This also helps to identify where any additional mitigating actions need to be considered.

### 2.11.1 Switching Values

**Table 2.17: The Preferred Option - Switching Values**

		Results from the Economic appraisal	% Change required
PV Costs to the public sector @3.5%	Falkirk	£23.5	162%
	Scotland	£23.5	226%
	UK	£23.5	186%
Cash and Non-cash releasing benefits (discounted @3.5%)	Falkirk	£61.5	-62%
	Scotland	£76.6	-69%
	UK	£67.2	-65%

The key observations from the switching value analysis are that for Option 4 to deliver a BCR of 1 (or lower) then:

- PV costs would need to increase by +162% to deliver a BCR of 1 (or lower) at the Falkirk level.



- PV costs would need to increase by +226% to deliver a BCR of 1 (or lower) at the Scotland level.
- PV costs would need to increase by +186% to deliver a BCR of 1 (or lower) at the UK level.
- The cash and non-cash releasing benefits would need to decrease by at least -62% to deliver a BCR of 1 (or lower) at the Falkirk level.
- The cash and non-cash releasing benefits would need to decrease by at least -69% to deliver a BCR of 1 (or lower) at the Scotland level.
- The cash and non-cash releasing benefits would need to decrease by at least -65% to deliver a BCR of 1 (or lower) at the UK level.

### 2.11.2 Scenario Planning

- We have altered the values of the costs and benefits to observe the effect on NPSV of the preferred way forward. We have modelled the scenarios within the preferred option as follows:
- Lower demand – there is a 20% decline in the anticipated benefits, the outcome of this is proxied by reviewing the non-cash releasing benefits (@80% of total).
- Increased costs – the costs for delivering the project increases – capital and revenue costs by +20%<sup>8</sup> per annum, the outcome of this is proxied by reviewing the costs.
- Combined scenario – considering the combined cumulative impact of the two scenarios, the outcome of this is proxied by reviewing the NPSV/C and informs the new ranking.

---

<sup>8</sup> This is in addition to the 24% optimism bias already applied on the cap ex.

**Table 2.18: The Preferred Option – Scenario Planning (£m)**

	Adjusted NPSV/C	Adjusted BCR
<b>Falkirk</b>		
Lower demand (NPV/C) @3.5%	£26.3	2.1
Increased costs (NPV/C) @3.5%	£33.4	2.2
Combined scenario (NPV/C) @3.5%	£21.7	1.8
<b>Scotland</b>		
Lower demand (NPV/C) @3.5%	£38.3	2.6
Increased costs (NPV/C) @3.5%	£48.5	2.7
Combined scenario (NPV/C) @3.5%	£33.7	2.2
<b>UK</b>		
Lower demand (NPV/C) @3.5%	£30.8	2.3
Increased costs (NPV/C) @3.5%	£39.1	2.4
Combined scenario (NPV/C) @3.5%	£26.2	1.9

Based on the scenario planning analysis presented above, we would make the following observations: accounting for sensitivity, reduced demand (-20%), and increased costs (+20% capital, +20% annual revenue), the overall BCR delivered of the preferred way forward (option 4) declines, however, remains positive at all geographic levels of analysis.

## 2.12 Confirmation of the Preferred Option

Based on the analyses and appraisal presented within this Economic Case we confirm that **Option 4** is the preferred option. It is now taken forward for further appraisal through the Commercial, Financial, and Management Cases within the remainder of this OBC document.

## 2.13 Benefits and Targets

The benefits anticipated to be delivered by the project have been informed by the appraisal and developed 'bottom up'.

The benefits and targets described below are intended to inform the Deal level BRP and inform the project level Monitoring and Evaluation, which is described further in **Section 5**.

Table 2.19: Benefits and Targets

Outcomes and Outputs	2029/30	2034/35
	Year 5	Year 10
New Jobs Created (FTEs)	5	5
New Floorspace Created (sqm)	3,200	3,200
Number of people accessing training to upskill/reskill (cumulative)	324	824
Total uplift in salaries (gross)	£0.7m	£13.0m
Uplift in productivity/economic output (gross)	£1.5m	£30.0m

## 3 Commercial Case

The Commercial Case outlines the proposed approach to procurement in relation to the preferred option (4) outlined in the Economic Case.

### 3.1 Meeting the Needs of Partners and Stakeholders

As outlined in the Strategic Case, the preferred option was developed based on a review of market demand/need and informed by wider evidence such as the SIP and corporate policy of SC and HES. The development of the preferred option took account of factors including risk, impact, cost, value for money, and specifically considered whether the preferred solution addressed the identified market failure and the needs of project partners.

The key stakeholder partners for the project and how the project addresses their needs, are considered below.

**Table 3.1: Addressing Stakeholder's Needs**

Stakeholder	How the project will address need
UK and Scottish Government	The preferred option makes a strong and evidenced contribution to policy objectives
Falkirk Council/Growth Deal Investment Programme Management Unit	The project delivers net additional economic benefits (and other positive outcomes) that contribute to the objectives of the Falkirk Growth Deal and levers additional funding
Growth Deal project partners	The project will work closely with partners (for example, those leading the other innovation projects and Greener Grangemouth - to help ensure alignment and that the supply side (students/learners, those seeking to upskill, reskill, or transition) meets the needs of industry (the demand side)
Industry	The project provides a dedicated hub and new training provision to upskill and reskill the workforce
Students/learners/volunteers	The project will provide dedicated space and facilities alongside training provision to enhance learning
Local community	Support regeneration within a deprived community The project will target local people to ensure that local communities and residents benefit as much as possible from the FGGD investment



## 3.2 Funding Option

As highlighted within the Economic Case, alternative funding options have been explored to support delivery of the project – this included SC and HES requesting an increased Grant in Aid funding contribution from Scottish Government, identifying other public sources of funding, and only using Falkirk Growth Deal monies. Prior to submission of the OBC, SC had already invested £2.4m of RCGF and their own capital to support the phase one works.

The options scoring process identified that a blended approach that used FGGD capital to help leverage a further £3.7m from the NLHF (capital and revenue) to meet the upfront costs over the first few years to undertake the refurbishment works. In addition, the proposed model will also generate an ongoing income to SC through leasehold arrangement with HES, while HES will generate a commercial income from the private sector (who would pay to access both the equipment and training) and help support the longer-term commercial sustainability of the project.

Without access to both capital and revenue support via the FGGD and NLHF then the project could not progress.

### 3.2.1 Alternative Arrangements

At this stage, no alternative arrangements have been agreed if the identified funding (FGGD and NLHF) does not come on stream at the required amount and time. This is noted within the risk register.

The commercial income/funding from industry is based on developing a new range of training provision/courses - the forecast income generated is based on an uplift on historical performance and is relatively modest. Should the level of industry income/funding be changed (either positively or negatively) then this will have a knock-on effect in terms of the projects' ability to generate cash releasing-benefits (commercial income).

## 3.3 Commercial Demand

SC demand has been informed by policy and an internal review of their current asset utilisation and requirements to:

- Enhance activity through relocation of the operations, maintenance and engineering team.
- Expand activity through the volunteer and employability programme.

- Reduce costs – reducing leasehold costs as they own the building and not paying Non Domestic Rates on an unoccupied building.

As outlined in detail with the Strategic Case, HES demand for additional bespoke training space and training /education provision has been informed by the SIP and supporting research which engaged with a range of stakeholders and industry to identify the service gaps and demand.

In addition, the project would not only support HES to enhance its service offering but would also reduce its ongoing property costs.

## 3.4 Procurement Strategy

The partners are committed to obtaining value for money in all procurement activities and ensuring that the procurement of goods, services and works adheres to all relevant Procurement Legislation as well as internal Procurement Strategy and Financial Regulations.

Given the multi-faceted nature of the project there will be several procurement packages that will be developed – these packages and the lead organisation are noted below.

In addition, to ensure a consistent approach across the Deal, our approach has been informed by the procurement strategy of the lead managing authority, Falkirk Council. This approach recognises that our procurement practice is based on the Scottish Model of Procurement, which sees procurement as an integral part of policy development and service delivery and is about achieving the best balance of cost, quality, and Sustainability.

There are five key procurement areas within the 2020-23 Procurement Strategy:

1. Compliance and governance.
2. Value for money and efficiency.
3. Delivery of sustainable procurement.
4. Embracing innovation.
5. Supplier engagement and contract management

### 3.4.1 Scottish Canals

As the owner of the building/wider site, SC will lead all capital work procurement activity in relation to the refurbishment and restoration of the former AG Barr factory. They will also be responsible for the procurement of the new jobs associated with the delivery of the volunteer and employability training programmes (1FTE volunteer co-ordinator and 1FTE Volunteering and Employability Manager).

## Strategy

SC's organisational Procurement Strategy reflects the aims of the SC corporate plan and the Scottish Government's National Performance Framework. It is underpinned by the following procurement drivers:

- Deliver best value and savings for SC.
- Embed sustainable procurement practices.
- Inspire development and innovation.
- Seek to collaborate with other Public Bodies.
- Encourage SME participation in contracts through initiatives and processes such as breaking down barriers to entry by advertising opportunities directly to SMEs, reducing bureaucracy and providing guidance on completing paperwork.
- Improve the environment, society and the economy.

The project procurement strategy embodies the drivers set out above and has also been designed in accordance with the Falkirk Growth Deal Procurement Strategy and Buyer Guidance. Delivering carbon reductions where possible is a primary factor that will run through all elements of the supply chain procurement. It will be achieved through the following:

Embodied carbon budget identified and used to inform decision making.

- Early supply-chain engagement and viability testing.
- Early request for Environmental Product Declaration (EPDs) to assess product impact and viability.
- Strong emphasis on sustainability within pre-quals - focussing on mitigating embodied carbon and circularity.
- Use of local supply chain to mitigate transport emissions of products and services to site (while supporting local economic growth).
- Procurement of services which can offer carbon and circularity benefits.

## Approach – Capital Works and Goods Procurement

The project has been designed and developed to RIBA Stage 4 (see **Appendix E**).

The drivers and factors set out above have shaped the procurement route/approach for the project, where a Cost Led Procurement (CLP) model IS utilised. As part of this model, a ceiling cost and output specification has been defined under which the supply chain will bring experience and innovation to bear in a framework environment. **Major Projects Framework 2 (MPF2)** has been selected by SC as the framework to deliver the CLP model for both project delivery and the ongoing operation of Lock 16.

MPF2 launched on 4 April 2022. It is a fully regulatory and statutory compliant £4.2 billion framework for all types of construction projects within the UK Public Sector, with three regional lots covering Scotland, England and Wales, and Northern Ireland.

MPF2 is driven by a core principle of social responsibility and supporting the local supply chain within its relevant regional lots. Following Community Wealth Building principles, to guarantee social responsibility and to help ensure the framework has a positive impact on both the local communities and wider society, Robertson will award at least 85% of the total project value to local supply chain and SMEs. Whilst also ensuring social return on investment, job creation, fair payment and modern slavery training will be provided for all staff on each project.

To date Scottish Canals has undertaken procurement for this project in full compliance with UK public procurement regulations and Scottish Canals' Procurement Strategy and Policy.

The procurement approach includes two key appointments:

1. Robertson Construction under a Pre-Construction Services Agreement (PCSA) via the Procurement Hub Major Projects 2 Framework, providing pre-construction, design, and professional services up to RIBA Stage 4. This appointment is nearing completion (June 2025).
2. Currie & Brown, appointed through the Scotland Excel Engineering and Technical Consultancy Framework (Ref: 0820) under an NEC4 Professional Services Contract (Pricing Option A), to provide project management, cost consultancy, principal designer, and employer's agent duties.

Both appointments have been made using OJEU-compliant frameworks, ensuring fair, competitive, and value-driven procurement. Copies of these agreements can be made available to NLHF upon request.

### **Procurement of Robertson Construction – Pre-Construction Services**

Scottish Canals appointed Robertson Construction under a Pre-Construction Services Agreement (PCSA), procured through the Procurement Hub Major Projects 2 Framework. This agreement, valued at £466,155.80, supports pre-construction, design, and professional services to progress the project to RIBA Stage 4, ensuring a robust and deliverable design.

Scottish Canals' structured procurement approach follows Public Contracts Scotland regulations and its Procurement Strategy 2023–2027, which prioritises value for money, sustainability, and compliance.



The Major Projects 2 Framework was selected due to the following benefits:

- OJEU-compliant procurement, ensuring a legally robust, fair, and regulated selection process.
- Efficiency and cost-effectiveness, reducing procurement timelines while securing competitive rates.
- Access to pre-vetted contractors, guaranteeing quality, financial stability, and technical expertise.
- Alignment with Scottish Canals' procurement priorities, focusing on sustainability, innovation, and strategic procurement.
- A structured, two-stage approach, enabling early contractor involvement to manage risks, enhance buildability, and provide cost certainty before progressing to construction.

This procurement ensures a proportionate, fair, and competitive process that demonstrates value for money, transparency, and accountability. The framework guarantees that contractors are appointed based on competitive selection criteria, including quality, technical capability, and price.

Further details on the Major Projects 2 Framework can be found at: [Robertson Procurement Hub](#).

Robertson's approach to selecting and appointing subconsultants is presented at **Appendix M**.

### Procurement of Currie & Brown – Project Management & Consultancy Services

Alongside Robertson Construction, Scottish Canals has appointed Currie & Brown to undertake project management, cost consultancy, principal designer, and employer's agent duties. This appointment was made through the Scotland Excel Engineering and Technical Consultancy Framework (Ref: 0820) under an NEC4 Professional Services Contract (Pricing Option A). The contract is valued at £68,374.

The Scotland Excel Framework was selected as the procurement route due to its OJEU-compliant structure, which allows public sector bodies to procure professional services from pre-vetted, high-quality suppliers through a transparent and regulated process. This ensures:

- Best value and cost efficiency, leveraging pre-negotiated rates for cost-effective procurement.
- Compliance with Scottish Canals' Procurement Policy, which prioritises the use of established public sector frameworks.
- Reduced procurement time, while maintaining a fair and competitive selection process.

- Access to industry-leading expertise, with Currie & Brown's appointment based on their technical capability, financial stability, and extensive experience in complex infrastructure projects.

Under this agreement, Currie & Brown's scope of services includes:

- Project Management - Overseeing project execution, ensuring strategic alignment, risk management, programme management, and stakeholder engagement.
- Cost Consultancy - Delivering cost planning, value engineering, risk management, and financial control throughout the project lifecycle.
- Principal Designer Duties - Ensuring full compliance with CDM Regulations 2015, including health and safety coordination, pre-construction information collation, and site compliance reviews.
- Employer's Agent Duties - Acting as the client's representative under the SBCC Design and Build Contract, ensuring contractual compliance, contractor performance monitoring, and project delivery through to completion.

This procurement ensure an open, fair, and competitive process that demonstrates value for money and robust governance. Additionally, it supports Scottish Canals' sustainability and risk management objectives, ensuring high-quality project oversight and financial control.

Further details on the Scotland Excel Engineering and Technical Consultancy Framework can be found at: [Scotland Excel – Engineering & Technical Consultancy](#)

It is Scottish Canals' intention to continue using these frameworks for the delivery stage of the project. This ensures continuity of services, given the extensive design and development work undertaken to date, and maintains a consistent, compliant, and value-driven approach throughout the project lifecycle.

In terms of capital goods and fit out, the basic (Cat A) fit-out for the building is included within the specification for the capital build. While there may be some limited expenditure on additional fit-out and equipment, it is expected that within the first couple of years that SC would relocate items from West Mains ("lift and shift"). Further detail on any capital good procurements will be provided at FBC.

### Approach - Operational Procurement

The approach to recruiting for the volunteer and employability manager and co-ordinator roles is to advertise via SC website, social media channels and wider networks.

### 3.4.2 Historic Environment Scotland

HES will manage procurement in relation to capital goods /purchase of kit, machinery and fit out of training workshops) and recruitment of staff to support delivery of the training/education provision and activity plan.

#### Strategy

[HES Procurement Strategy](#) outlines how they will undertake procurement over the next four years. The diagram below sets out the broad themes of this procurement strategy: [Sustainability](#), [Value for Money](#), [Enhancing Capability](#), [Transparency](#), [Governance](#) and [Risk](#).

Figure 3.1: HES Procurement Strategy

HES Strategic Outcomes, SG Direction and Procurement Legislation		
Sustainability		
<ul style="list-style-type: none"> <li>• Carbon reduction</li> <li>• Circular Ways of Working</li> <li>• Accessibility for SMEs</li> <li>• Community Benefits</li> <li>• Supported Business</li> </ul>	<ul style="list-style-type: none"> <li>• Fair Work First</li> <li>• Equalities, Diversity, and Inclusion</li> <li>• Modern Slavery Act</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Fairly and Ethical Traded Goods</li> <li>• Food to Improve Health and Wellbeing</li> </ul>
Value for Money	Enhancing Capability	Transparency
<ul style="list-style-type: none"> <li>• Voice of the Customer</li> <li>• Category Management</li> <li>• Strategic Sourcing and innovation</li> <li>• Collaborative Sourcing</li> <li>• Contract management</li> <li>• Supplier Management</li> </ul>	<ul style="list-style-type: none"> <li>• Voice of Supplier</li> <li>• Organisation and Resource</li> <li>• Partnering and Collaboration</li> <li>• People Development and Capability</li> <li>• Use of Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Strategy</li> <li>• Annual Procurement Report</li> <li>• Public Contracts Scotland</li> <li>• Procedures, Governance</li> <li>• Performance Measures and Outcomes</li> </ul>
Governance and Risk		
Achieve HES and National Outcomes Customer and Supplier Satisfaction		

#### Approach - Capital Goods Procurement

While there may be some limited expenditure on additional fit-out and equipment, it is expected that within the first couple of years that HES would relocate kit and equipment from their current Stirling training base ("lift and shift"). Further detail on any capital good procurements will be provided at FBC.



## Approach – Operational Procurement

The approach to recruiting for the volunteer and employability training and co-ordinator roles is to advertise via HES website, social media channels and wider networks.

### 3.4.3 Contract and Supplier Management

As noted, the project managers, Currie & Brown will be responsible for all aspects of performance management as per the NEC4 Option A contractual agreement. The contract includes mechanisms for measuring performance against project objectives, providing regular reporting on progress, and incentivising good performance through mechanisms like bonuses or penalties based on achieving project goal.

The SC project manager and SRO will have overall responsibility for performance.

### 3.4.4 Procurement Team, and Resources

The capital procurement will be led by the SC, further details on their experience is presented below. SC has showcased expertise in delivering transformative capital projects and innovative educational initiatives, significantly enhancing Scotland's infrastructure, environment, and communities. Leveraging diverse funding sources, including European funds, local councils, and corporate sponsorships, these projects highlight the organisation's commitment to sustainability, community engagement, and active travel.

Examples include:

- Glasgow Smart Canal Project (2020): A £17 million initiative blending 18th-century canal infrastructure with 21st-century technology, this project addressed urban flooding and unlocked 110 hectares for development, enabling 3,000 new homes.
- The Bowline at Bowling Harbour (2021): At £7 million, this transformation of a historic railway viaduct into a linear park promotes active travel and regenerates the Bowling Harbour area.
- The Claypits Local Nature Reserve (2021): With an £8.8 million investment, this post-industrial site became Glasgow's first inner-city nature reserve.
- Stockingfield Bridge Project (2022): This £14.7 million infrastructure project reconnected three Glasgow communities, promoting active travel and sustainability.
- The Treehouse, Inverness (2023): A £4.5 million community hub focusing on sustainability and accessibility, this project supports local organisations and enhances surrounding greenspaces. It embodies Scottish Canals' dedication to community-driven, net-zero-aligned developments.



## 3.5 Required Services

The project includes both capital and revenue elements and therefore the procurement will comprise two distinct work packages (and sub-works packages).

### 3.5.1 Capital Procurement

#### Capital Works

The tender will break down into appropriate work packages and seek a single contractor to deliver the required services for each work package:

- OBC stage – RIBA stage 3: Spatial coordination, RIBA Stage 4: Technical design.
- FBC stage - RIBA stage 5: construction, RIBA stage 6: Handover and Close Out, and RIBA stage 7: in use.

#### Tendering the Capital Works

Robertsons have prepared a schedule of potential subcontractors with whom they would tender the various work packages. Each work package has a shortlist of between 3 – 5 subcontractors

Full details on the process on the selection and appointment process are presented in **Appendix M** (i and ii) and summarised below.

The objective is to obtain contractor input regarding buildability issues and to address risk transfer/allocation on an open basis whilst obtaining the most competitive price available from the market. The key members of the Robertson team are involved in the tender exercise thus have an understanding and knowledge of the project and they are aligned to the project objectives and understand the client aspirations in terms of working effectively to deliver the project in relation to cost, programme and quality terms.

#### **Achieve the most competitive pricing within the work packages**

Working collaboratively with the project team and our supply chain develop a project cost that delivers value for money and cost certainty at completion of the PCSA period. Cost certainty is achieved by ensuring robust and fully scoped tender enquiry packages are issued to the supply chain. The following processes describe how we manage the work package tender process.

**Project Launch** - a launch workshop is held, to establish shared objectives, communication routes and agree roles and responsibilities. A key component of this workshop will be to agree with the team the cost management and reporting processes to deliver an agreed contract cost.

**Procurement Strategy** – work packages to be priced on a drawing and specification basis, those that require Bills of Quantities, or can be procured early to add value and de-risk the delivery of an agreed package value.

**Procurement Schedule** - The outcomes of the launch workshop is captured on a Work Package Procurement Schedule (MPS) and on the Robertson Master Information Delivery Plan (MIDP). Both documents capture the milestone dates to manage and monitor each package during the PCSA period. The MPS details the package split and procurement timeline, whilst the MIDP details the information required from the Design Team to obtain robust responses from the tendering subcontractors.

### **Achieving Competitive Pricing and Best Value from the Supply Chain**

We have provided a list of supply chain for key packages and have invited input from the Project Team (**Appendix N** (ii)). Selection will be based on suitability, resource availability, compliance with the project's social, environmental, and ethical aspirations in addition to any health and safety, quality, and sustainability requirements.

A minimum requirement of three tenders will be returned for each package, unless specialist and in agreement with the client team.

The Robertson team will provide Work Package Tender reports once returns are checked, equalised and confirmed compliant.

The QS team have built an agreed cost plan to monitor against through the stages of project development.

**Tender Returns and Reports** – Tender reports will be compiled on receipt of tenders. The tender reports will advise of any reason for not recommending the appointment of the lowest tender price. This may relate to some or all the following risk factors: resources availability; health and safety concerns / performance; achieving the programme.

### **Appointment of the appropriate subcontractors.**

We have proposed a list of suitably qualified supply chain members for key packages with input from the client team. Selection will be based on suitability, resource availability, compliance with the project's social, environmental, and ethical aspirations in addition to any health and safety, quality, and sustainability requirements.

## **Stage 1**

Stage 1 involved a review of client/stakeholder agreed project drivers and an initial assessment/shortlisting of our SCPs to determine the best fit. We select SCPs by mapping their capabilities to the agreed project drivers using data from our e-perform SCP management system.

## **Stage 2**

Stage 2 involved tendering using price and quality assessments. To reflect the scope and complexity of packages and their importance to the development, we set package specific price/quality assessment criteria.

### **Maintaining supply chain resilience through vetting and approval**

Maintaining resilience in our supply chain, we mandate that all potential new SCPs must achieve specified standards that includes financial strength. SCPs are approved to deliver up to a maximum value and scope of service based on the financial information and delivery evidence provided.

### **Creating resilience by paying on-time or early and supporting development**

As signatories of the Construction Supply Chain Payment Charter Prompt Payment Code, we pay all our SCPs within the terms agreed or better; without changing conditions retrospectively and without modifying length of payment on unreasonable grounds.

## **Scoring the Tenders**

Following good practice from Scotland Excel the approach to scoring tenders for work packages is summarised below with the detail presented in **Appendix N**.

The tender is divided into 3 sections

- Qualification selection (pass/fail).
- Technical section - overall and workplace specific (60%).
- Commercial selection (40%).

### **Qualification**

Tenderers must pass the bidder selection criteria which are contained in the qualification section of the tender. This is in the format of the European Single Procurement Document ESPD (Scotland).

## Technical

### Overall

The key criteria relates to:

- Real living wage.
- Fair work practices.
- Community Benefits.
- Management arrangements.
- Non-scored questions.

### Work package specific:

- Technical ability.
- Innovation.
- Sustainability.

## Commercial

- Total costs.
- Salary banded rates and professional title rates
- Fee percentages.
- Overhead percentage.

The tender report and work package tracker is presented at **Appendix O**.

## Capital Goods

The required procurement of goods will in the main relate to the fit-out of the building (beyond Cat A), purchase and installation of specialist training kit, equipment, and digitally integrated training aids. As noted, the intention is for partners to relocate existing kit and equipment from other locations during the early years of the project. Any future purchase will be based on wider demand intelligence, for example informed by engagement with industry.

## Operational

The project will create five new (3-year fixed term) FTE posts by the project start date, April 2027.



## SC

1 FTE (3-year fixed term post) Volunteering and employability manager:

- Responsible for designing, leading, and managing volunteering and employability initiatives across Scottish Canals, to help make canals more accessible to everyone, and to improve our blue and green spaces.
- Developing partnerships with canal societies and other community organisations, and with business organisations, especially to conserve our heritage assets, and to care for and improve our natural and built environment.
- Facilitating deployment of groups of volunteers, trainees, and work placements to extend the Scottish Canals workforce, and to enhance our canals.
- Contributing to the creation of safe, secure, and vibrant canals where visitors are delighted with the quality of their experience.
- Leading Scottish Canals' Volunteering and Employability Strategy.

1 FTE (3-year fixed term post) Volunteer co-ordinator:

- Responsible for developing partnerships with canal societies and other community organisations as well as employability and youth development organisations to connect more people with caring for canals.
- Supporting, coaching and developing the volunteer group leaders and volunteers for various roles and tasks within Scottish Canals and promoting volunteering in general. By working in partnership with local groups, charities and business organisations, the Volunteer Co-ordinator is focused on encouraging more people to care for our blue and green spaces, conserve our heritage assets and habitats and species.
- Facilitating the deployment of groups of volunteers, trainees, and work placements to extend Scottish Canals capacity to enhance our canals for people and visitors to enjoy and experience. The Volunteer Co-ordinator will contribute to and support development and implementation of Scottish Canals' Volunteering and Employability Strategy and associated plans.

## HES

1 FTE (3-year fixed term post) Craft Skills Programme Officer:

- Co-ordinate the delivery of Pre-apprenticeship, and Modern Apprenticeship training programmes at Lock 16, and schools' engagement and other outreach activity that forms part of the Lock 16 Activity Plan.
- Organise training workshops, events and CPD trips.
- Support and mentor programme participants throughout their learning journey.
- Purchasing appropriate PPE, tools and equipment as required.

- Supporting the recruitment of programme participants. This includes supporting the creation of job descriptions, timetabling interviews, shortlisting applicants, taking part in interview panels, working with HR colleagues and supporting the use of HES policies
- Undertake evaluation activity and assist with the future development of these programmes
- Work in partnership with Scottish Canals, external partners, construction hosts, master craftspeople and employability providers, to ensure safe, enjoyable work placements.
- Champion the programmes, recognise and promote achievements of programmes and participants.

1 FTE (3-year fixed term post) Activity Plan and QA Co-ordinator:

- Designing, planning, and delivering Lock 16's Activity Plan and training timetables in collaboration with the Programme Manager, internal and external stakeholders.
- Working with stakeholders and organisers to support the logistical delivery of events, activities, training qualifications and courses, (duties include scheduling; general organisation; delegate/learner management; speaker/trainer support; booking facilities and ensuring we have the necessary resources).
- Providing co-ordination and on the ground support during events, activities and training courses.
- Carrying out post event evaluation and analysis.
- Liaising with delivery partners including educational institutes and awarding bodies for our courses that offer a formal qualification and ensuring adherence with awarding bodies' quality assurance requirements for these courses.
- Delivery of any additional allocated projects.
- Creation and maintenance of standard procedures, processes and reporting.

1 FTE (3-year fixed term post) Training Manager:

- Responsible for the co-ordination and delivery of a range of training programmes and qualifications relating to the management, conservation, repair and maintenance of the historic environment, including traditional craft skills training and other relevant technical qualifications.
- Work with colleagues to develop standards, processes, and procedures for the development and delivery of training to enable sustainable management of the historic environment.
- Work with Subject Matter Experts in Building Conservation to provide training and facilitate knowledge transfer.
- Teach and train both on-line and face to face, as well as managing staff delivering training and teaching, on-line and face to face.

- Managing the provision and coordination of educational support to candidates,
- Be responsible for, oversee and deliver on site-based and on-line assessments, as well as perform the role of internal verifier.
- Create and maintain all relevant educational and training records.
- Working with TET Programme Management and Quality Assurance Team, be responsible for the development and implementation of procedures, to ensure compliance with standards set by HES, SQA, NOCN, Forth Valley College and other partners.
- Contribute to and advise upon, continued training and qualification development within HES and with other partners.
- Management of HES staff and external contractors to deliver training.
- Budget management of training programmes and training centres.

As outlined in the programme, the intention is to start advertising for the new roles over the period October 2026 – January 2027, with a view to having all staff in place for the start of the project in May 2027.

### **Fixed-Term Staffing (Volunteering): Rationale and Mitigation**

The Volunteering and Employability Manager and Volunteer Co-ordinator roles within the Lock 16 Centre of Excellence are currently proposed as fixed-term posts. This reflects the nature of the funding secured from the National Lottery Heritage Fund (NLHF), which is time-limited and aligned to the delivery of the NLHF-funded Activity Plan. However, Scottish Canals are committed to ensuring the long-term sustainability of the volunteering programme and the benefits it delivers and would note the following dependencies and mitigations:

- Core budget consideration: Scottish Canals intends to review the potential for transitioning these roles to permanent posts, subject to organisational budget planning and the successful delivery of outcomes. This will be informed by evaluation data, demand, and strategic alignment.
- Strategic integration: Volunteering is embedded within Scottish Canals' corporate priorities and the People Strategy 2023 – 2028. The Lock 16 Centre of Excellence is a flagship initiative, and volunteering is recognised as a core function supporting heritage, community engagement, and employability.
- Legacy planning: As part of the NLHF-funded programme, a full Volunteering and Employability Strategy will be developed. This will include a legacy and sustainability plan, identifying how roles, resources, and delivery can be maintained beyond the initial funding period.

- **Shared delivery model:** The roles will not operate in isolation. They will join two existing volunteering staff (based in the Lowlands and Inverness), creating a national network with shared responsibilities and resilience. This mitigates the risk of knowledge loss or programme disruption.
- **Partnership support:** The project is delivered in partnership with HES and other members of the Heritage Skills Advisory Group. Volunteer Scotland and the Scottish Volunteering Forum will be invited to contribute to governance and strategic planning, helping ensure continuity and sector alignment.
- **Monitoring and Evaluation:** The NLHF Activity Plan incorporates a comprehensive monitoring and evaluation framework to assess volunteer engagement, outcomes, and overall impact. This includes the use of quantitative metrics, qualitative insights, and lived experience storytelling to capture the full value of the programme. The resulting evidence base will inform future funding applications, guide internal investment decisions, and support strategic planning.

This approach ensures that while the initial roles are fixed term, the volunteering programme is designed for long-term impact, with clear pathways to sustainability and integration into core operations.

Job specifications for all the new roles that are to be recruited are presented in **Appendix F**.

## 3.6 Contract Arrangements

A Design and Build approach has been selected for the delivery of the Lock 16 project to enable early contractor engagement and integrated planning. Under a Pre-Construction Services Agreement (PCSA) via the Procurement Hub Major Projects 2 (MPF2) Framework, Robertson Construction has worked collaboratively with SC, HES, and the appointed design team to shape and refine the project. This process has included early supply chain engagement and coordinated efforts to mitigate key risks before entering the construction phase.

The main capital works will be delivered by Robertson Construction under an NEC4 ECC Option A contract, also procured through the MPF2 Framework. This contract form is particularly well suited to Lock 16, offering the right balance of cost control, risk management, and collaborative delivery. As a priced contract with an activity schedule, it provides early price certainty and robust budgetary oversight—critical for a publicly funded scheme. Its programme-led structure supports timely delivery and accountability, while the early warning and risk register mechanisms enable proactive risk management across a site with complex stakeholder relationships and potential legacy issues.



Importantly, the NEC4 contract form also supports a collaborative working culture that aligns with SC values and the community-facing objectives of the project. It integrates seamlessly with both the MPF2 contractor appointment, and the Scotland Excel framework used to engage the consultancy team, ensuring consistency, transparency, and value for money throughout.

Further details on the Major Projects 2 Framework can be found at: [Robertson Procurement Hub](#).

**Table 3.2** and **3.3** present the timelines for the construction and professional services procurements.

The detailed Construction Programme is presented in **Appendix I (ii)**:

**Table 3.2a: Procurement Gateways - Construction Services**

Stage	Gateway	Achieved Programme	Future Programme
Preliminary Considerations	Sign up to Procurement Hub – following advice on framework operation	November 2022	
Feasibility	Development of feasibility options, including briefing, design, and feasibility review of time, cost, and risk	Agreement signed December 2022. Jan 2023 – June 2023	
Preconstruction 2	Sign preconstruction order – following issue of feasibility report and before the start of the preconstruction phase	Agreement signed June 2023	
Preconstruction 3	Submit planning application – following submission of Stage 3 report	Planning submitted February 2025	
Preconstruction 4	Sign delivery agreement – once planning application is granted, works have been agreed and the customer has validated the agreed		November 2025
Construction	Issue completion certificate – at construction completion		December 2026
Post construction	Issue defects certificate – once final development has been examined, final account has been agreed, and a post project review workshop has been undertaken		January 2027

**Table 3.2b: Construction Programme**

Stage	Start	Finish
Robertson Internal Review / Gateway Process	27/10/25	07/12/26
Business Case Review and Approval by Falkirk Council	09/10/25	05/11/25
Council Meeting - Exec Committee	06/11/25	05/11/25
UK/SG Approval Period	07/11/25	06/11/25
Gateway 4	16/01/26	15/01/26
Contract Award	19/01/26	16/01/26
Prepare Construction Phase Plan	08/12/25	19/01/26
Submit F10	19/01/26	30/01/26
Contractor Mobilisation	19/01/26	30/01/26
Start on Site	02/02/26	30/01/26
Construction phase	02/02/26	02/02/26
Completion	07/12/26	04/12/26

**Appendix I (ii)** provides the detailed construction programme.

Please note that the timelines for procurement and tendering were not dependent on securing approval for the FBC, these will continue as per the schedule outlined above. However, the project partners are unable to sign contracts with Robertson Construction and subcontractors until approval has been received and the funding draw down profile agreed – this is a key project dependency and is assessed via the risk register.

In parallel, Currie & Brown have been appointed by SC as client-side consultants under the Scotland Excel Engineering and Technical Consultancy Framework (Ref: 0820), using an NEC4 Professional Services Contract (Option A).

Their scope includes:

- Project Management: Overseeing execution, ensuring alignment with objectives, managing risk and programme, and leading stakeholder coordination.
- Cost Consultancy: Providing detailed cost planning, value engineering, financial control, and change management.
- Principal Designer – Ensuring compliance with CDM Regulations 2015, managing health and safety planning, and coordinating pre-construction information.
- Employer's Agent Duties – Acting as NEC4 ECC Project Manager and Supervisor, representing SC during the construction phase to manage the contract, monitor quality and progress, and ensure successful delivery.

Further details on the Scotland Excel Engineering and Technical Consultancy Framework can be found at: [Scotland Excel – Engineering & Technical Consultancy](#)

A separate series of Gateway milestones reflects the consultancy appointment route. These are summarised below in **Table 3.3**.

**Table 3.3: Procurement Gateways - Professional Services**

Stage	Gateway	Achieved Programme	Future Programme
Preliminary Considerations	Call-off from Scotland Excel Framework and signing of appointment for RIBA Stages 2-6 Currie & Brown roles: <ul style="list-style-type: none"> <li>• Project Management</li> <li>• Cost Consultancy (QS)</li> <li>• Principal Designer (CDM 2015)</li> <li>• Employer Agent</li> </ul>	November 2023	
Preconstruction 2	Concept design and approvals to Developed Design	Nov 2023 – Apr 2024	
Preconstruction 3	Spatial coordination and approvals to Technical Design	Apr 2024 – Aug 2024	
Preconstruction 4a	Technical design development, value engineering, and risk management	Sep 2024 – September 2025	
Preconstruction 4b	Tendering, Gateway 4 submission, NEC ECC Option A contract award, and SC governance approval		June 2025- January 2026
Construction	Construction period administration, cost control, contract management, site monitoring, and quality supervision. Construction delivery under NEC4 ECC Option A. Currie & Brown act as: <ul style="list-style-type: none"> <li>• NEC4 ECC Project Manager</li> <li>• NEC4 ECC Supervisor</li> </ul> Also continue: <ul style="list-style-type: none"> <li>• External Project Manager</li> <li>• Cost consultants (QS)</li> <li>• Principal Designer</li> </ul>		February – December 2026
Post-Construction	Start of defects period. Currie & Brown support closeout, review workshops, and support final accounting		December 2026 (12 months post PC)

## 3.7 Potential for Risk Transfer

**Table 3.4** presents a summary assessment of the organisations whom the risks will be apportioned to during the lifetime of the project. In addition, we have attached a Risk Register at **Appendix D** that will act as a live document during the development, implementation, and delivery of the project.

Most of the risks will be assigned to the lead delivery partners, SC and HES.

**Table 3.4: Transfer of Risk**

Risk Category	Potential Allocation		
	Public	Private	Shared
1. Design risk			✓
2. Construction and development risk			✓
3. Transition and implementation risk	✓		
4. Availability and performance risk			✓
5. Operating risk	✓		
6. Variability of revenue risks			✓
7. Termination risks	✓		
8. Technology and obsolescence risks	✓		
9. Control risks	✓		
10. Residual value risks	✓		
11. Financing risks			✓
12. Legislative risks	✓		
13. Other project risks			✓

## 3.8 Proposed Payment Mechanisms

We have outlined the anticipated payment mechanisms at two crucial stages of the programme/project delivery.

### Pre-Delivery Design and Build Phases

During the Design Phase the services will be paid on a fixed price basis. The contracted design team will invoice for work on completion of agreed milestones. The agreed milestones for the project are tied to the RIBA plan of works.



## Operational Phase

The approach to charging will be driven by the business model of the project, for example, the expected operating model will include the following:

- Direct staff will be employed on fixed-term contracts for the duration of the project and remuneration (salary, pension, and other payments) will be based on partners standard terms and conditions outlined within the contract of employment.

## 3.9 Proposed Charging Mechanisms

The project will also provide a chargeable service to industry, the approach to charging is outlined below:

- Private sector training for micro-credentials - fees will be charged at commercial rates as per the agreed operating model and based on market rates.

HES will lead and be responsible for the delivery of all chargeable services, it is not expected that there will be any third-party revenue i.e., services delivered via an external third-party provider.

## 3.10 Proposed Contract Lengths

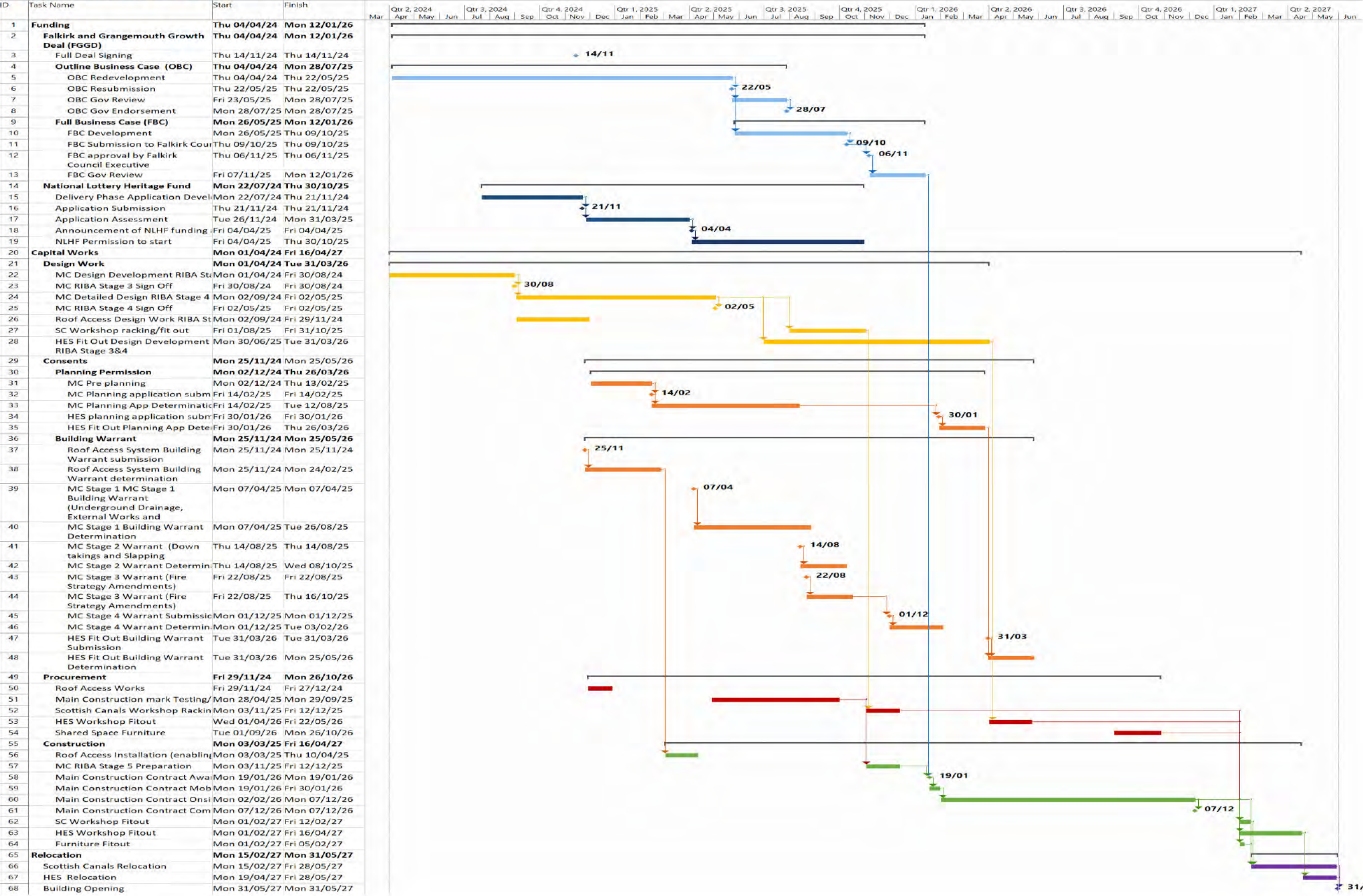
The contract lengths will be determined by the individual work packages. For example, typically, the capital purchases will be based on fixed term agreements phased over the lifetime of the project - with activity estimated to begin in 2025/26.

Other contracts for goods and services to support the operational activity will be in place at the outset for the project, commencing (April, 2027) and will be subject to regular performance review for the duration of the project delivery period.

## 3.11 Programme Plan and Contractual Milestones

**Figure 3.1** presents key procurement milestones.

Figure 3.2: Procurement Milestones





## 3.12 Proposed Key Contractual Clauses

Details of the key contractual clauses will be outlined in the FBC; however, we anticipate this will include supplier's commitment to helping deliver against key FGGD priorities, including:

- Community benefits.
- Contributing to net zero emissions.
- Contributing to Fair Work and pay (legally required).
- Sustainability.

## 3.13 Deal Funding Claims

The project will follow the Growth Deal programme level guidance with regards to drawdown and claiming expenditure. Claims for the Deal will be submitted to Scottish Government by the Accountable Body, Falkirk Council.

## 3.14 Pre-Claim Requirements

Before submitting a claim to UK Government and Scottish Government, the following will be completed by the Accountable Body (Falkirk Council):

- Valid signed financial agreement.
- Evidence that all grant pre-conditions have been met e.g., FBC approved at joint committee, financial agreement signed, etc.
- Claim form authorised by the relevant person(s) such as the project Senior Responsible Officer (SRO) and Finance Director.

### Evidence of Eligible Expenditure

The Grant Claim will be submitted to FC IPMU, comprising of a completed Grant Claim Form, Invoice, remittance, and bank statement showing proof of payment. Claims will be submitted quarterly in arrears.

The specific criteria for claiming funding will be set out in the Grant Offer Letter, but could include for example:

- Transaction listing – detailed listing of transactions supporting the value of expenditure being claimed in the claim form. Where appropriate, the analysis will show the Gross Value, VAT value and Net value separately. VAT and Ineligible expenditure (if included) should be separately analysed.

- Copy of invoices – Expenditure is anticipated to be supported by authorised (signed) copy invoices or equivalent. Evidence should indicate commitment of payment (i.e., in system, in ledger, processed for payment).
- evidence of expenditure - clarify the SC submit CLAIM to fc submit to Scot Govt. Claim back up for capital is Invoice, remittance and bank statement showing proof of payment.

## 3.15 Personnel Implications

### Permanent Delivery and Support Staff

The additional staff employed through the project will be employees of SC on a permanent contract with standard Terms and Conditions. Therefore, TUPE does not apply.

### Temporary Support Staff

As part of the NLHF activity plan, SC and HES have identified 5FTE temporary fixed term posts (with possibility for permanence). These posts will be employed on a temporary fixed-term basis in line with standard Terms and Conditions. Therefore, TUPE does not apply.

**Appendix G** provides details on the standard terms and conditions for SC and HES.

### Suppliers

Suppliers for the purchase of capital goods and services will be commissioned on a call-off contract basis and TUPE will not apply.

## 3.16 Accountancy Treatment

Financial models have been developed in accordance with FRS 102 which states that balance sheets represent the substance of the entity's transactions. All identified assets which underpin the delivery of this project are included on the balance sheet.

The project manager will produce quarterly and annual financial statements for the project which will be approved by the Project Board.

Project partners have sought external professional advice with regards the treatment of (recoverable) VAT in relation to its charitable and commercial trading/operating entities which identifies that VAT is partially recoverable on some capital elements - see **Section 5.5** of the **Financial Case**.



Lock 16 is already owned by SC and is already recorded on the balance sheet. However, in line with good practice there may be a requirement to reappraise the value of the asset to ensure that the carrying amount on the balance sheet reflects its fair value. This will be confirmed at FBC.

Any new capital items (equipment, kit, facilities, etc.) will be adopted/transferred and reported within the balance sheet. The accounting policy, as included in the financial statements, is for equipment and other assets, including intangible assets, to be recorded as fixed assets where the acquisition cost per item or group of items is greater than £10,000. Intangible assets are capitalised where the purchase satisfies the requirements of FRS102.

Fixed assets are depreciated on a straight-line basis over the useful economic life of the asset commencing in the year of acquisition.

## 4 Financial Case

---

The Financial Case sets out the forecast financial implications of the preferred option (as set out in the Economic Case) and the proposed deal (as described in the Commercial Case). The project is requesting £4m capital funding from the FGGD.

Financial management of the capital elements of the project will be directed and controlled by SC, who will oversee and approve project expenditure in line with an agreed financial framework with HES. Growth Deal funding is eligible to be claimed quarterly in arrears, and should capital expenditure exceed funding, shortfalls will be dealt with by either amending the specifications of an item of to fall within available funding or allocating some of SC's own annual capital budget.

### 4.1 Project Costs and Expenditure

#### 4.1.1 Capital Costs

Following the completion of RIBA Stage 3, the design and specification information for the Lock 16 project was used to compile the main capital project cost report, which formed part of the NLHF grant application. The cost estimates were prepared by Robertson Construction and independently reviewed by Scottish Canals' cost consultants, Currie & Brown, ensuring a robust and transparent financial assessment.

To refine the budget further, a value engineering exercise was undertaken to identify potential cost-saving measures while maintaining the project's overall integrity and objectives. As a result, adjustments were made to guide RIBA Stage 4 development, ensuring the most efficient use of available funds. This will be reviewed at FBC to reflect the tender prices agreed.

The total capital costs for the project are £12.9m and includes £3.8m<sup>9</sup> already invested by SC in making the building wind and watertight and other works to make it safe (e.g. removal of asbestos).

Based on tender returns and RIBA stage 4, the remaining capital costs to bring the project forward are estimated at £9.3m. See **Table 4.2** for a breakdown.

---

<sup>9</sup> Please note that the costs to date do not include an additional c. £139,000 already incurred in 2025/26 (for Phase 2B: LK16 Centre of Excellence Development - see Table 4.2) but not claimed

Table 4.2: Estimated Costs – Capital Works (£)

	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Phase 1A+B: Building Fabric Construction and Externals											2,157,859
Phase 1C: PV & ASHP											238,987
Phase 1D: Project Development											363,447
Phase 2A: Ongoing Site Security											132,514
Phase 2B: LK16 Centre of Excellence Development											761,307
Phase 2C: LK16 Centre of Excellence Enabling Construction Works											218,001
<b>Sub Total</b>	<b>11,429</b>	<b>383,308</b>	<b>841,413</b>	<b>954,752</b>	<b>546,931</b>	<b>76,225</b>	<b>192,858</b>	<b>644,956</b>	<b>220,243</b>	<b>-</b>	<b>3,872,114</b>
Phase 2D: Work Package S015 - Utilities											
Phase 2D: Work Package S030 - Demolition and Downtakings											
Phase 2D: Work Package S100 - Groundworks (inc Tarmac Surfacing)											
Phase 2D: Work Package S100a - Tarmac Surfacing											
Phase 2D: Work Package S260 - Secondary Steelwork											
Phase 2D: Work Package S325 - Rooflights											
Phase 2D: Work Package S340 - Curtain Walling, Windows and Glazed Doors											
Phase 2D: Work Package S350 - Cladding - Fire Compliance											
Phase 2D: Work Package S355 - Masonry Brick Block											
Phase 2D: Work Package S360 - External Doors											
Phase 2D: Work Package S420 - Partitions and Linings											
Phase 2D: Work Package S425 - Sliding Moveable Walls											
Phase 2D: Work Package S430 - Ceilings											
Phase 2D: Work Package S450 - Doors and Ironmongery											
Phase 2D: Work Package S460 - Internal Glazed Screens											
Phase 2D: Work Package S465 - General Joinerwork											
Phase 2D: Work Package S470 - Manufactured Joinery - NA											
Phase 2D: Work Package S475 - Screeds											
Phase 2D: Work Package S480 - Architectural Metalwork											
Phase 2D: Work Package S490 - IPS / Cubicles											
Phase 2D: Work Package S510 - Ames Tape & Decoration											



Phase 2D: Work Package S530 - Soft Floor Finishes											
Phase 2D: Work Package S540 - Raised Access Flooring											
Phase 2D: Work Package S560 - Epoxy Floor Finishes											
Phase 2D: Work Package S575 - S570 Ceramic Tiling - Replaced with S575 Hygenic Wall Finishes											
Phase 2D: Work Package S600 - FF&E											
Phase 2D: Work Package S610 - Manifestation											
Phase 2D: Work Package S660 - Signage											
Phase 2D: Work Package S700 - MEP											
Phase 2D: Work Package S750 - BWICS											
Phase 2D: Work Package S802 - Road Markings											
Phase 2D: Work Package S820 - Soft Landscaping											
Phase 2D: Work Package S830 - Fencing											
Phase 2D: Work Package BW - Building Warrant Adjustments											
Phase 2D: VE Possible - S350 Cladding - Fire Compliance Works											
Phase 2D: VE Possible - MEP Overall target saving for alternative manufacturers											
Phase 2D: VE Possible - S750 BWICS											
Phase 2D: Design Team Fees VE Updates											
Phase 2D: Design Team Fees Other											
Phase 2D: Main Contractor Preliminaries											
Phase 2D: Main Contractor Overheads and Profit											
Phase 2D: RIBA Stage 5-7 Design Team											
Phase 2D: Risk/Contingency											
Phase 2D: Project Contingency											
Phase 2D: Inflation Allowance											
<b>Sub Total</b>	<b>11,429</b>	<b>383,308</b>	<b>841,413</b>	<b>954,752</b>	<b>546,931</b>	<b>76,225</b>	<b>192,858</b>	<b>644,956</b>	<b>448,272</b>	<b>8,224,779</b>	<b>12,324,922</b>
Phase 2D: Consultant PM (Stage 5/6)											
Phase 2D: Consultant PD (Stage 5/6)											
Phase 2D: Consultant QS (Stage 5/6)											
Phase 2D: Consultant EA (NEC4 Contract - PM & Supervisor) (Stage 5/6)											
<b>Sub Total</b>	<b>11,429</b>	<b>383,308</b>	<b>841,413</b>	<b>954,752</b>	<b>546,931</b>	<b>76,225</b>	<b>192,858</b>	<b>644,956</b>	<b>448,272</b>	<b>8,330,206</b>	<b>12,430,349</b>
Phase 2E: Scottish Canals - racking of warehouse											
Phase 2E: Scottish Canals /HES shared space furniture											



Phase 2E: HES - Workshop Fit Out											
<b>Total Project Costs</b>	<b>11,429</b>	<b>383,308</b>	<b>841,413</b>	<b>954,752</b>	<b>546,931</b>	<b>76,225</b>	<b>192,858</b>	<b>644,956</b>	<b>448,272</b>	<b>8,804,331</b>	<b>12,904,474</b>
% of spend	0%	3%	7%	7%	4%	1%	1%	5%	3%	68%	100%

Note: All costs prior to FY25/26 are net of irrecoverable VAT

## 4.1.2 Revenue Costs

**Table 4.3** provides a summary of the ongoing revenue costs for the project up to the end of the Deal funding period - £9.0m.

**Table 4.3: Expenditure Profile - Ongoing Revenue Costs (£)**

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Total
Salaries	-	61,084	384,844	355,286	411,034	423,365	436,066	449,148	462,623	476,501	3,459,953
Oncosts - pension, NI, other	-	16,945	65,796	68,485	70,586	72,750	74,980	77,276	79,641	82,077	608,537
Maintenance	-	-	78,140	79,703	81,297	84,243	159,958	86,273	87,998	91,244	748,856
Utilities/Energy	14,873	15,171	148,007	151,448	154,970	158,574	162,263	166,039	169,904	173,859	1,315,110
Rates	70,319	71,725	45,000	45,900	46,818	47,754	48,709	49,684	50,677	51,691	528,278
Insurance	10,322	10,529	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	149,596
West Mains Relocation & Delap	-	-	167,545	-	-	-	-	-	-	-	167,545
Volunteer Programme	-	18,336	24,753	30,324	36,387	37,115	37,857	38,614	39,386	40,174	302,946
Training Support	-	-	18,335	19,252	20,215	20,619	21,031	21,452	21,881	22,319	165,105
Outreach & Engagement	-	-	26,494	27,818	29,209	29,793	30,389	30,997	31,617	32,249	238,568
Sector Workforce Development	-	-	28,420	29,841	31,333	31,959	32,599	33,251	33,916	34,594	255,912
Pre-Apprenticeship Programme	-	-	88,879	93,323	97,989	99,949	101,948	103,987	106,067	108,188	800,332
Revenue Project Contingency	-	-	-	132,012	132,012	-	-	-	-	-	264,024
<b>Total</b>	<b>95,515</b>	<b>193,791</b>	<b>1,091,214</b>	<b>1,048,693</b>	<b>1,127,456</b>	<b>1,022,041</b>	<b>1,122,037</b>	<b>1,073,282</b>	<b>1,100,603</b>	<b>1,130,127</b>	<b>9,004,760</b>

Note: Annual inflation included based on the GDP Deflator and OBR forecasts

\* Please note that no dilapidation costs included for Cunningham Road as the building is being retained and reused

**Table 4.4** presents the summary annual capital and revenue costs. Over the lifetime of the project (2017/18 - 2034/35) the total project costs are estimated at £21.9m

**Table 4.4: Summary Expenditure Profile - Ongoing Costs (£)**

	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Total
Capital	11,429	383,308	841,413	954,752	546,931	76,225	192,858	644,956	448,272	8,804,331	-	-	-	-	-	-	-	-	12,904,474
Revenue	-	-	-	-	-	-	-	-	95,515	193,791	1,091,214	916,681	995,444	1,022,041	1,122,037	1,073,282	1,100,603	1,130,127	8,740,736
Total	11,429	383,308	841,413	954,752	546,931	76,225	192,858	644,956	543,786	8,998,121	1,091,214	916,681	995,444	1,022,041	1,122,037	1,073,282	1,100,603	1,130,127	21,645,210
% of total	0%	2%	4%	4%	3%	0%	1%	3%	3%	42%	5%	4%	5%	5%	5%	5%	5%	5%	100%



## 4.2 Project Income

In addition to requesting £4m from the FGGD, the project partners have confirmed their own funding, which has helped leveraged additional capital (and revenue) funding through RCGF and the NLHF to support delivery.

- RCGF - £2,122,000:
  - Capital - £2,122,000.
- NLHF - £3,717,625:
  - Capital - £2,300,000.
  - Revenue -£1,417,625

### 4.2.1 Capital Income

**Table 4.5** provides an overview of the capital income funding profile.

**Table 4.5: Capital Funding Sources (£) - Drawdown Profile per Annum**

Funding Sources	Status	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total	% of Total
FGGD	Expected December 2025 on approval of FBC									-	4,000,000	4,000,000	31%
RCGF	Confirmed - May 2018 and Uplifted September 2020	-	33,482	637,290	301,228	-	211,444	-	568,047	130,835	239,674	2,122,000	16%
NLHF (capital)	Confirmed - April 2025									70,563	2,229,437	2,300,000	18%
SC GiA Capital	Funding approved annually	11,429	5,849	246,872	954,752	335,486	51,270	48,270	225,219	259,025	1,061,095	3,199,269	25%
SC Fitout GiA Capital	Funding approved annually									-	269,525	269,525	2%
HES Capital	Funding approved annually	-	-	-	-	-	-	-	9,081	-	204,600	213,681	2%
HES Capital (Main Construction Contract)	Funding approved annually									-	500,000	500,000	4%
Falkirk Council/Scottish Government support funding	Decision expected December 2025 (subject to change control approval)									-	300,000	300,000	2%
<b>Total</b>		<b>11,429</b>	<b>39,331</b>	<b>884,163</b>	<b>1,255,980</b>	<b>335,486</b>	<b>262,714</b>	<b>48,270</b>	<b>802,347</b>	<b>460,422</b>	<b>8,804,331</b>	<b>12,904,473</b>	<b>100%</b>

The capital grant funding drawn down will meet all the estimated capital costs.

Please note that:

- In line with NLHF eligibility guidance, the required intervention rate across eligible spend is 38% and can only be used to fund certain capital elements. The SC project manager will be responsible for ensuring compliance with these requirements.
- The FGGD investment will be used across all expenditure reporting lines (construction, interpretation, fees, and allowances, etc).
- SC and HES money will be drawn down to support the main construction contract and the internal fit out.
- There is £300,000 that is still subject to approval and discussion between Falkirk Council and Scottish Government are ongoing.

## 4.2.2 Revenue Income

### Grant Income

As part of the wider heritage benefits realisation activity, the project has leveraged additional revenue funding support of £1.42m from the NLHF, see **Table 4.6**. This is in addition to the £2.3m funding that will be used to support the capital construction activity (see **Table 4.5**).

**Table 4.6: Revenue Funding Sources - Drawdown Profile per Annum (£)**

Funding Sources	Status	25/26	26/27	27/28	28/29	29/30	Total
NLHF (revenue/activity plan)	Confirmed - April 2025	-	58,910	389,726	462,357	506,631	1,417,625
% of total		0%	4%	27%	33%	36%	100%

## 4.2.3 Operating Income

**Table 4.7a** presents the annualised income profile for the project.

**Table 4.7a: Income Profile (£)**

Year	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Total
<b>Scottish Canals</b>											
NLHF		31,875	71,785	147,674	174,103	43,891	-	-	-	-	469,329
GiA Revenue Project	-	27,023	51,850	107,911	111,630	-	-	-	-	-	298,414
GiA Revenue Operational	95,515	97,425	309,238	144,527	147,418	310,548	355,045	325,012	332,858	341,644	2,459,229
<b>Sub total</b>	<b>95,515</b>	<b>156,323</b>	<b>432,874</b>	<b>400,112</b>	<b>433,151</b>	<b>354,439</b>	<b>355,045</b>	<b>325,012</b>	<b>332,858</b>	<b>341,644</b>	<b>3,226,972</b>
<b>HES</b>											
NLHF		12,307	235,235	296,526	321,461	82,767	-	-	-	-	948,296
Resource GiA	-	10,433	195,948	186,071	210,503	-	-	-	-	-	602,955
Operational Resource GiA	-	-	144,454	147,824	151,273	711,493	766,993	748,271	767,745	788,483	4,226,537
<b>Sub total</b>	<b>-</b>	<b>22,740</b>	<b>575,637</b>	<b>630,422</b>	<b>683,237</b>	<b>794,260</b>	<b>766,993</b>	<b>748,271</b>	<b>767,745</b>	<b>788,483</b>	<b>5,777,788</b>
<b>Total</b>	<b>95,515</b>	<b>179,063</b>	<b>1,008,511</b>	<b>1,030,534</b>	<b>1,116,388</b>	<b>1,148,700</b>	<b>1,122,037</b>	<b>1,073,282</b>	<b>1,100,603</b>	<b>1,130,127</b>	<b>9,004,760</b>

Note 1: Project contingency contribution of £264,024 included above that is not presented in the project revenue costs (**Table 4.3**)

### Project Income Post 2030

The project programme has been scoped to 2030 in line with NLHF reporting requirements. To ensure the long-term benefits and financial sustainability of the Lock 16 project are safeguarded beyond this period, several strategic measures have been put in place, summarised below.

- The site will serve as the central hub for SC maintaining the Lowland Canal Network.
- HES has committed to a twenty-year lease.
- Both organisations' commitment to maximising the potential of Lock 16 is formalised in a Memorandum of Understanding, which establishes governance structures to support long-term collaboration.

In terms of ongoing revenue income and support, both SC and HES are committed to the ongoing delivery and support of the project through their core GiA operational budgets once the NLHF element has finished. While neither organisation can 'ring fence' income we would note that the project will generate commercial income through two main streams - commercial training and rent (via leasehold agreement with HES). **Table 4.7b** provides a summary of the forecast revenue income profile (this is in addition to the commitment of core operational GiA).



Table 4.7b: Income Streams (£)

Year	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Total
HES - Rental to SC			127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	1,020,000
HES commercial income			536,865	550,287	564,044	578,145	592,599	607,414	622,599	638,164	4,690,117
<b>Total</b>	<b>£-</b>	<b>£-</b>	<b>664,365</b>	<b>677,787</b>	<b>691,544</b>	<b>705,645</b>	<b>720,099</b>	<b>734,914</b>	<b>750,099</b>	<b>765,664</b>	<b>5,710,117</b>

SC Note: £150k pa lease income reduced by 15% with an agreement of free of charge services to be provided by HES to SC. Lease income would be £150k pa of free of charge services are not agreed or provided. Post 2030 Project Programme

HES - Post NLHF Income from training delivery assumptions							
	Prices	Time input per annum	Price per candidate	Number candidates per annum	Total Income	2030/31	Notes
PDA R&M Income	£200 per day	25 days training	£5,000	50 candidates	£250,000.00	£284,232	Based on comparable commercial costs incl. VAT, index linked at 2.5% per annum
SAC 8 Income	£250 per day	25 days training	£6,250	30 candidates	£187,500.00	£213,174	Assumes cohort size and demand for training continues after NLHF subsidy and ability of industry to source funding to attend from other sources or HES secures other funding to subsidise delivery
Stonemasonry MA						£80,739	Assumes MA funding model continues as is, with CITB as Managing Agent
						£578,145	All future costs index linked, assumed at +2.5%

HES is currently developing a Traditional Skills Strategy for Scotland, with a detailed Business Case for submission to Scottish Government for consideration. Whilst the strategy is still in the early stage of development, the options for sustaining the delivery of skills training at Lock 16 beyond the NLHF funded programme, as well as providing sustainable support for the Traditional Skills Ecosystem are:

- HES to work with CITB to either become an Approved Training Organisation that the allows HES to charge companies for training at a commercial rate, that they can claim back from CITB as grant (preferred option).
- HES is directly commissioned by CITB on a full-cost recovery basis to deliver training free at point of delivery to industry.

Discussion have commenced at a Scottish and UK level with CITB colleagues on both these options. Depending on the volume of training that CITB can support, this could cover the delivery costs of the upskilling courses and the materials, travel and subsistence costs of Modern Apprentices at Lock 16.

At a regional level, HES and Scottish Canals will work with delivery partners within the Falkirk and Grangemouth Growth Deal, and other partners such as the education authority to establish Lock 16 Activities within the funded 'curriculum' of the local educational and employability infrastructure by demonstrating its need, relevance and good outcomes for the local community.

Finally, HES has directed its fundraising team to develop a campaign targeting philanthropic giving to support traditional skills training, a local, regional, national and international level. Initial discussions with potential partners in the USA have already taken place. HES has a proven track record in securing funds for this area of work have previously secured investment from William Grant Foundation and £5m over five years from the Vinehill Trust.



## 4.3 Impact on the Organisation's Income and Expenditure Account

**Table 4.8** presents a summary of the project cash flows for SC and HES - annualised inflow of income set against the outflow of expenditure.

**Table 4.8a: SC Project Cash Flow (£)**

Year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Income - Capital	11,429	39,331	884,163	1,255,980	335,486	262,714	48,270	234,300	998,228	7,072,612	1,557,359	-	-	-	-	-	-	-
Income - Revenue	-	-	-	-	-	-	-	-	95,515	156,323	432,874	400,112	433,151	354,439	355,045	325,012	332,858	341,644
Total Cash Receipts	11,429	39,331	884,163	1,255,980	335,486	262,714	48,270	234,300	1,093,743	7,228,936	1,990,233	400,112	433,151	354,439	355,045	325,012	332,858	341,644
Expenditure - Capital	(11,429)	(383,308)	(841,413)	(954,752)	(546,931)	(76,225)	(192,858)	(644,956)	(448,272)	(8,599,731)	-	-	-	-	-	-	-	-
Expenditure - Project Revenue	-	-	-	-	-	-	-	-	-	(69,523)	(133,397)	(277,627)	(287,195)	-	-	-	-	-
Expenditure - Operational Revenue	-	-	-	-	-	-	-	-	(95,515)	(97,425)	(309,238)	(144,527)	(147,418)	(310,548)	(355,045)	(325,012)	(332,858)	(341,644)
Total Cash Expenditure	(11,429)	(383,308)	(841,413)	(954,752)	(546,931)	(76,225)	(192,858)	(644,956)	(543,786)	(8,766,679)	(442,635)	(422,154)	(434,613)	(310,548)	(355,045)	(325,012)	(332,858)	(341,644)
Cash on Hand	-	(343,977)	(301,228)	-	(211,444)	(24,954)	(169,542)	(580,198)	(30,241)	(1,567,985)	(20,387)	(42,429)	(43,892)	-	-	-	-	-

Note: NLHF Revenue funding to HES transfers through SC bank account but this is not included in the table above and is included in the HES table. Cash expenditure is assumed to be flat phased across the year.

Note: We have assumed that Growth Deal and NLHF drawdown applications will be started at the end of every financial quarter. We have assumed that cash will be received from these applications in the following quarter. It will take time for SC to write the applications and for Growth Deal and NLHF to process them. This is why cash is received after costs are incurred.

Note: Scottish Canals GiA funding has been included in this table within the income lines.



Table 4.8b: HES Project Cash Flow (£)

Year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Income - Capital										204,600	-	-	-	-	-	-	-	-
Income - Revenue										22,740	575,637	630,422	683,237	794,260	766,993	748,271	767,745	788,483
Total Cash Receipts										227,340	575,637	630,422	683,237	794,260	766,993	748,271	767,745	788,483
Expenditure - Capital										(204,600)	-	-	-	-	-	-	-	-
Expenditure - Project Revenue										(26,843)	(504,124)	(478,714)	(541,570)	-	-	-	-	-
Expenditure - Operational Revenue										-	(144,454)	(147,824)	(151,273)	(711,493)	(766,993)	(748,271)	(767,745)	(788,483)
Total Cash Expenditure										(231,443)	(648,579)	(626,539)	(692,843)	(711,493)	(766,993)	(748,271)	(767,745)	(788,483)
Cash on Hand										(4,102)	(77,044)	(73,161)	(82,767)	-	-	-	-	-

Note: NLHF Revenue funding to HES transfers through SC bank account but this assumed to be directly sent to HES table in the table above. Cash expenditure is assumed to be flat phased across the year.

Note: We have assumed that Growth Deal and NLHF drawdown applications will be started at the end of every financial year quarter. We have assumed that cash will be received from these applications in the following quarter. It will take time for SC to write the applications and for Growth Deal and NLHF to process them. This is why cash is received after costs are incurred.

Note: HES GiA funding has been included in this table within the income lines.

Table 4.8C: Overall Project Cash Flow (£)

Year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Income - Capital	11,429	39,331	884,163	1,255,980	335,486	262,714	48,270	234,300	998,228	7,277,212	1,557,359	0	0	0	0	0	0	0
Income - Revenue	-	-	-	-	-	-	-	-	95,515	179,063	1,008,511	1,030,534	1,116,388	1,148,700	1,122,037	1,073,282	1,100,603	1,130,127
Total Cash Receipts	11,429	39,331	884,163	1,255,980	335,486	262,714	48,270	234,300	1,093,743	7,456,276	2,565,870	1,030,534	1,116,388	1,148,700	1,122,037	1,073,282	1,100,603	1,130,127
Expenditure - Capital	(11,429)	(383,308)	(841,413)	(954,752)	(546,931)	(76,225)	(192,858)	(644,956)	(448,272)	(8,804,331)	-	-	-	-	-	-	-	-
Expenditure - Project Revenue	-	-	-	-	-	-	-	-	-	(96,366)	(637,521)	(756,342)	(828,765)	-	-	-	-	-
Expenditure - Operational Revenue	-	-	-	-	-	-	-	-	(95,515)	(97,425)	(453,693)	(292,351)	(298,691)	(1,022,041)	(1,122,037)	(1,073,282)	(1,100,603)	(1,130,127)
Total Cash Expenditure	(11,429)	(383,308)	(841,413)	(954,752)	(546,931)	(76,225)	(192,858)	(644,956)	(543,786)	(8,998,121)	(1,091,214)	(1,048,693)	(1,127,456)	(1,022,041)	(1,122,037)	(1,073,282)	(1,100,603)	(1,130,127)
Cash on Hand	-	(343,977)	(301,228)	-	(211,444)	(24,954)	(169,542)	(580,198)	(30,241)	(1,572,087)	(97,431)	(115,590)	(126,658)	-	-	-	-	-



## 4.4 Impact on the Balance Sheet

### Scottish Canals

The impact on the balance sheet (or P&L account) of SC. the new completed capital assets/facility will be recorded on future balance sheets and reported within the company accounts.

### Historic Environment Scotland

Any future capital purchases (kit and equipment) will be recorded on future balance sheets and reported within HES accounts (as fixed assets) and be depreciated over their various lifespans. The impact of the depreciation charge on the Income & Expenditure Account will be negated through releasing the deferred capital grant, which is standard accounting practice. The impact on the balance sheet at each period end is therefore within fixed assets, deferred capital grant liability and cash balances. There is no impact on the annual as spend has been phased in line with available income.

## 4.5 Treatment of VAT

### Scottish Canals

SC have taken external advice from Tax advisors, VAT & Indirect Tax Advisors in December 2024 to ensure the project is tax efficient. Advice received identified that as the building will be used for Scottish Canals' own purposes, the costs should be considered as partially recoverable - meaning that only a proportion of the VAT can be recovered.

A blended recovery percentage based on historical data has been considered to be 50%, meaning that typically around half of the VAT incurred ( $\text{VAT @20\%} * 50\% = 10\% \text{ VAT}$ ) on a project linked to general overheads would be recoverable.

As this project will be subject to the capital goods scheme, the actual recovery will effectively be blended over the 10-years following construction. This is a methodology used by HMRC to ensure that a fair recovery is taken, and it smooths out any abnormalities of high or low recoveries in a particular year.

It has been agreed that non recoverable VAT will not be claimed from FGGD, SC will cover this from their committed GiA capital budget.

## Historic Environment Scotland

In line with their overall corporate trading and operating model, HES will pay and charge VAT at the prevailing rate @20% - no activity will be exempt, and no VAT will be recoverable.

Any grant funding claimed through the Growth Deal and other public sources will be net of VAT, where this is recoverable VAT. Only actual costs incurred will be charged and partners will adhere to all relevant drawdown and reporting requirements.

## 4.6 Financial Risk

The financial risks have been covered and appropriate mitigating actions assigned as part of the Risk Register (see **Appendix D**). The main risks and dependencies are in relation to:

- Drawing down the capital funding in line (and at the values outlined) within the anticipated expenditure profile.
- Liquidity and cash flow - ensuring that income generated covers costs.

## 4.7 Overall Affordability

All the known costs for delivery of the project are noted above and supporting information is provided within **Appendix J**.

The Cash Flow projections at **Table 4.8a** and **b** show that over the appraisal period the project is forecast to be financially sustainable and affordable.

Based on the financial appraisal set out we can confirm that the project is affordable. Should any material changes occur, the project manager will follow the relevant process outlined within the Assurance framework and Change Management protocols for the Deal.



## 5 Management Case

---

This section covers the roles and responsibilities of organisations and individuals responsible for the delivery and management of the project. It includes management and governance, project delivery, risk, scheduling, and monitoring to ensure the programme is managed to the standards outlined in the Assurance Framework for the Deal.

### 5.1 Governance

#### 5.1.1 Falkirk Growth Deal

Falkirk Council is Accountable Body for the Deal. This makes it responsible for financial due diligence, as detailed in the Grant Offer Letter (GOL) to be issued by the Scottish Government. The Council submits a statement of compliance with the GOL.

Deal lead partners must also comply with the GOL. Falkirk Council will ensure this by having agreements which recognise this with each partner for each of the Deal projects.

Each Project has its own Project Board (or working group) who develop Treasury Green Book compliant Business Cases and deliver approved projects in accordance with the terms of the grant agreement entered into with Falkirk Council.

Project Boards play a key role in supporting the delivery of the overall Programme through:

- Delivering their approved projects.
- Participating in Project and Programme Board meetings where applicable.
- Designing and delivering programme-wide approaches and strategies.
- Identifying and sharing best practice.
- Identifying and collaborating on joint working opportunities.
- Supporting the Communications Team on development and delivery of the Falkirk and Grangemouth Growth Deal Communications Plan.

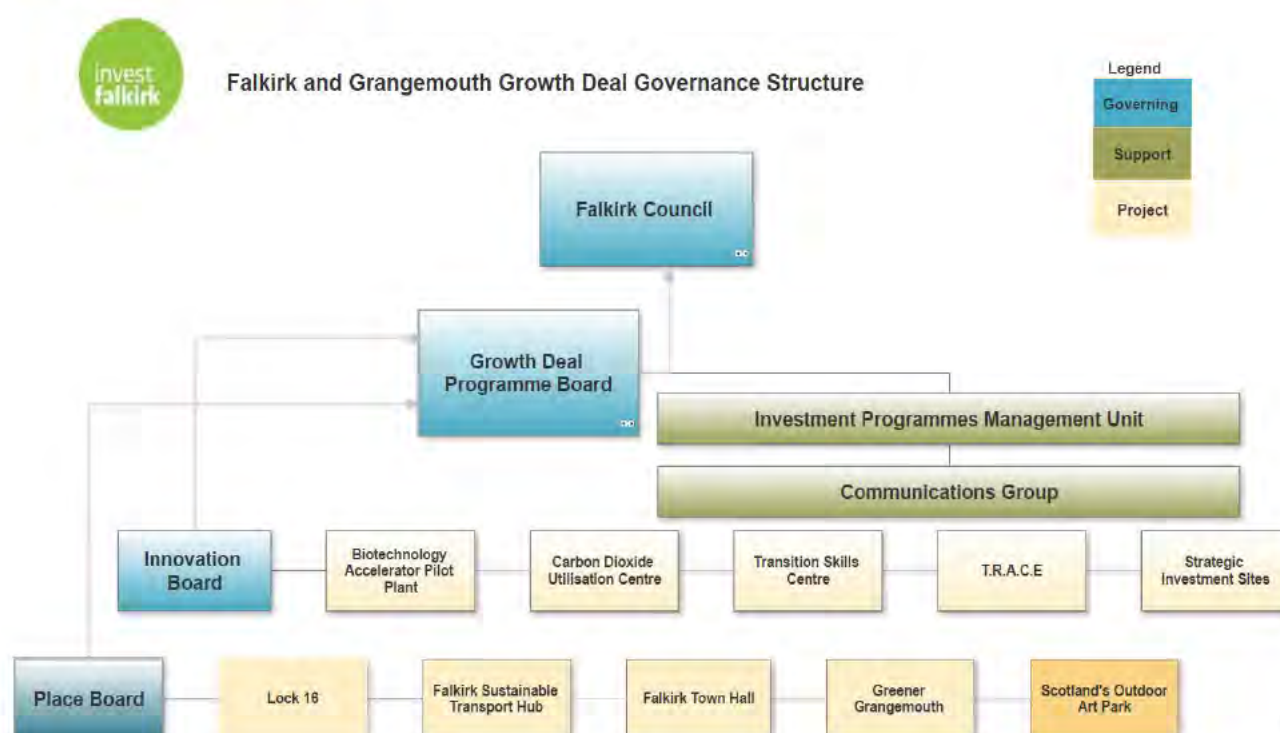
Each Project Board has a Lead Partner and a Senior Responsible Officer (SRO).

Project SRO's will provide the Investment Programmes Management Unit (IPMU) with monthly updates on the progress of each approved project.

Monitoring information will be presented to the Growth Deal Programme Board on a bi-monthly basis.

Greener Grangemouth is unique in that it is a programme that sits within the Growth Deal. Greener Grangemouth will have its own Programme Board (Town Team) that will report directly to the Growth Deal Programme Board. In time, Greener Grangemouth will develop a range of projects for delivery Greener Grangemouth will also be governed by this framework.

**Figure 5.1: FGGD Governance**

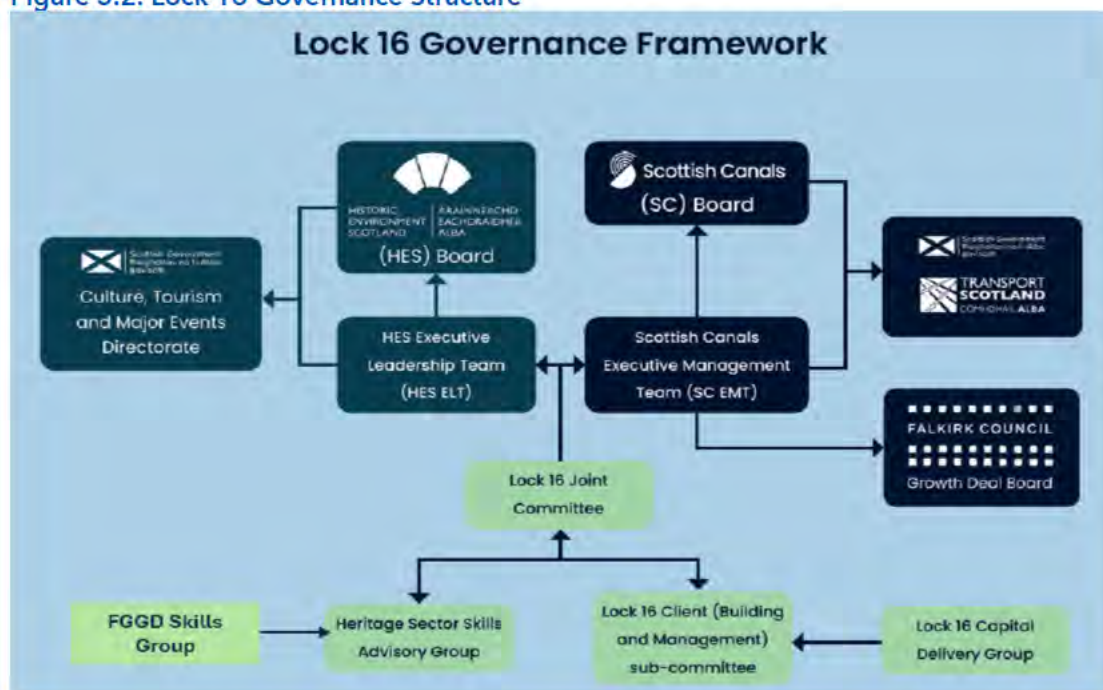


Note: Scotland's Canal Centre is now renamed Lock 16 - Scotland's Centre of Excellence for Canals and Traditional Skills

### 5.1.2 Lock 16 Governance

The project is being led by SC and HES – an MoU and collaboration agreement that sets out the relevant details for the partnership was agreed and signed in December 2024. In addition, a new Heads of Terms lease agreement for Lock 16 between SC and HES has been drafted (September 2024) – both presented in **Appendix A**.

Figure 5.2: Lock 16 Governance Structure



A summary of roles and responsibilities is provided below:

#### HES Executive Leadership Team:

- ELT establishes annual business plan and Lock 16 investment/operating contribution aligned with annual budget cycle for Board approval.
- Provides assurance to the Board on skills agenda and operational delivery including preparation of external reporting to meet funding and statutory reporting requirements.
- Establishes with Scottish Canals, agreed delegations and decision-making parameters for the Joint Committee.
- Heritage Skills Investment Plan reporting.

#### SC Executive Management Team:

- EMT establishes annual business plan and Lock 16 investment/operating contribution aligned with annual budget cycle for Board approval (and within Transport Scotland approvals).
- Provides assurance to the Board on Centre performance and operation including preparation of external reporting to meet funding and statutory reporting requirements.
- Establishes with HES, agreed delegations and decision-making parameters for the Joint Committee.
- Leads on external reporting for agreements held in Scottish Canals name.



## Lock 16 Joint Committee

### Membership:

- 2no. HES and SC Directors.
- 1no. HES and SC Finance Personnel.
- Up to 2no. Directors, 1no. Finance, and up to 3no coopted members (future building occupiers/skills partners).

### Remit:

- Sets and maintains strategic direction.
- Directs future development, ensuring integration of all project themes e.g. wider connections with Growth Deal partners.
- Ensures compliance with grant and funding and impact reporting.
- Promotes the traditional skills ethos and builds capacity to take on future development and partnerships.
- Promotes fundraising in support of skills delivery.
- Establishes and monitors sub-committees to carry out defined functions.
- Has due regard to opt-outs in partnership agreement.

## Heritage Skills Advisory Group

### Membership:

- 2no. HES and HES Personnel.
- Skills delivery partners (CITB, NTS, SDS, SG etc).

### Remit:

- Skills plan development and associated provision/ accreditation.
- Assurance on safeguarding arrangements for learners.
- Alignment with, and progress in achieving the Skills Investment Plan and input from Heritage Sector Skills Advisory Group.
- Compliance with funding/grant conditions.
- Ensures project risks are tracked and managed.
- Oversees effective operation of skills provision and use of building spaces.
- Review of delivery agreements.
- Group will link out to wider Skills and Growth Deal group which HES attends and Richard Miller of SC chairs. This group includes representatives of all the Skills related projects within FGGD and also links into wider regional partnerships and initiatives.

#### Lock 16 Client (Building and Management sub-committee)

##### Membership:

- 2no. HES and HES Personnel.

##### Remit:

- Assurance on capital programme to agreed design, building and safety standards and cost management.
- Compliance with funding and grant conditions.
- Ensures project risks are tracked and managed.
- Oversees effective operation of shared spaces and overall maintenance, security and compliance requirements for the building and environs.
- Review of lease terms and agreements.

#### Lock 16 Capital Delivery Group

##### Membership:

- 1no. SC Personnel.
- SC Consultant Team (comprising of Quantity Surveyor, Client Agent, Principal Design and Project Manager).
- Design and Build Contractor (Comprising of Contractor, Architect, Landscape Architect, M&E consultants, Civil and Structural Engineers, Acousticians, Fire Engineers and Transport Consultants).

##### Remit:

- Project delivery of capital programme works.

### 5.1.3 Internal Governance Reporting

The ongoing reporting as part of the due diligence and governance requirements is summarised below.

**Table 5.2: Internal Governance Reporting**

Report	Frequency
1A - Project Dashboard Template	Monthly
2A - Project Risk Register	Monthly
3A Issues Log	As required
4A Change Control Request Form	As required
4B Change Control Notification Log	As required
5B Contract Benefits Register	As required
5D Benefits Schedule	As required
6A Dependencies Register	As required
7A Lessons Learned Log	Quarterly
8A Monthly Financial Forecast	Quarterly
8B Financial Claim Summary	Quarterly
8C Quarterly Claims Forecast	Quarterly
8D Financial Claim Forms	As required
8E Bi Annual Financial Forecast	BI-annually
9A Project End Report	As required
10A Communications Report	As required
11A Subsidy Control Checklist	As required

## 5.2 Project Management and Delivery

The section below sets out the arrangements to help ensure successful delivery of the project and ensure clear and transparent lines of reporting and accountability.



## 5.2.1 Project Team

Table 5.1: Lock 16 Project Team

Name	Role and Responsibilities
<b>Internal Team</b>	
SC Designated Project Lead and Project Sponsor: Richard Millar, Chief Operating Officer	<ul style="list-style-type: none"> <li>• Securing project financing and resources</li> <li>• Communication of the project to the wider Investment Zone Programme</li> <li>• Strategic direction and oversight</li> </ul>
HES Designated Project Lead: Dr. David Mitchell, Director of Cultural Assets	<ul style="list-style-type: none"> <li>• Securing HES project financing and resources</li> <li>• Communication of the project to the Historic Environment Sector</li> <li>• Strategic direction and oversight regarding historic environment skills development objectives</li> </ul>
SC Project Manager: Allana Hughes, Senior Development Manager	<ul style="list-style-type: none"> <li>• Project direction and oversight</li> <li>• Authorisation for approved change orders</li> <li>• Contract authorisation</li> <li>• Management of strategic stakeholders</li> <li>• Placement of direct purchase orders</li> </ul>
HES Project Manager: Colin Tennant, Head of Technical Conservation	<ul style="list-style-type: none"> <li>• Skills and training project direction and oversight</li> <li>• Project management and procurement of HES workshop fit out</li> <li>• Management of Heritage Skills Sector Advisory Group</li> <li>• Development and delivery of Lock 16 Activity Programme</li> <li>• Integration with HES skills training programmes</li> </ul>
SC Head of Procurement: Elaine Robertson	<ul style="list-style-type: none"> <li>• Procurement management</li> </ul>
SC Head of People: Ken Fee	<ul style="list-style-type: none"> <li>• Oversight of volunteer and employability programme</li> </ul>
SC Head of Finance: Bianca Kirk	<ul style="list-style-type: none"> <li>• Financial management (Revenue and capital)</li> </ul>
HES Head of Financial Business Support: David Phillips	<ul style="list-style-type: none"> <li>• Financial management (Revenue and capital)</li> </ul>
<b>External Third-Party Team</b>	
Project Manager: Currie & Brown	<ul style="list-style-type: none"> <li>• Overall responsibility for design and procurement</li> <li>• Ensure project delivery meets the project objectives</li> <li>• Planning and co-ordinating the activities of the project team and administration</li> <li>• Updating the Project Execution Plan</li> </ul>
Quantity Surveyor: Currie & Brown	<ul style="list-style-type: none"> <li>• Cost management</li> <li>• Cost planning</li> <li>• Cost reporting</li> <li>• Cost control</li> </ul>

Design and Build Contractor: Robertson Construction Ltd	<ul style="list-style-type: none"> <li>• Design coordination and input</li> <li>• Quality inspections to meet project requirements</li> <li>• Delivery of construction and site works</li> </ul>
Outline Business Case Consultant: EKOS Ltd	<ul style="list-style-type: none"> <li>• Developing project business case in line with Growth Deal requirements and UK Government Green Book</li> </ul>
Principal Designer: Currie & Brown	<ul style="list-style-type: none"> <li>• Defined legal responsibilities under the Construction Design and Management Regulations 2015</li> </ul>
Employers Agent: Currie & Brown	<ul style="list-style-type: none"> <li>• Undertaking the roles of Project Manager and Supervisor under the NCE4 contract</li> </ul>
Architect: Holmes Miller Architects	<ul style="list-style-type: none"> <li>• Building and layout design</li> </ul>
Structural Engineer: Narro Associates	<ul style="list-style-type: none"> <li>• Structural design</li> <li>• Supervision during installation of certain structures</li> </ul>
M&E Engineer: RSP	<ul style="list-style-type: none"> <li>• Mechanical and engineering design</li> </ul>
Transport Consultants: Systra	<ul style="list-style-type: none"> <li>• Transport planning</li> </ul>
Landscaping Consultants: Land Use Consultants (LUC)	<ul style="list-style-type: none"> <li>• Landscape design</li> </ul>
Acoustic Consultant: Robin Mackenzie Partnership	<ul style="list-style-type: none"> <li>• Acoustic design</li> </ul>
Fire Engineering Consultant: Jensen Hughes	<ul style="list-style-type: none"> <li>• Fire engineering advice/design</li> </ul>

### 5.2.2 Project Delivery Post-2030

The project programme has been scoped to 2030 in line with NLHF reporting requirements. To ensure the long-term benefits and financial sustainability of the Lock 16 project are safeguarded beyond this period, several strategic measures have been put in place.

Once the capital investment is complete, Lock 16 will become a key operational asset for both Scottish Canals and Historic Environment Scotland (HES). For Scottish Canals, the site will serve as the central hub for maintaining the Lowland Canal Network, a vital heritage resource. HES, meanwhile, has committed to a twenty-year lease for workshops, training facilities, and shared spaces at Lock 16, as outlined in the Heads of Terms included with this application.

Both organisations' commitment to maximising the potential of Lock 16 is formalised in a Memorandum of Understanding, which establishes governance structures to support long-term collaboration. This approach aligns with the Scottish Government's aspirations for public sector reform and ensures that the facility remains a strategic priority for both partners. To further underpin the sustainability of the project, a detailed 10-year Management and Maintenance Action Plan has been provided as part of the supporting documentation.

This plan outlines a comprehensive approach to the ongoing care and upkeep of the building, ensuring it remains fit for purpose and continues to deliver value over the long term.

## 5.3 Project Plan and Milestones

**Table 5.2** provides details on the capital works. The detailed project programme plan which includes details on the operational activities up to 2030 (as per requirements of the NLHF grant award) is presented at **Appendix I**.

**Table 5.2: Capital Build Out Milestones**

Milestone	Start	End
<b>Capital works</b>	<b>April 2024</b>	<b>April 2027</b>
<i>Design development</i>	<i>April 2024</i>	<i>April 2025</i>
<i>Consents</i>	<i>November 2024</i>	<i>October 2025</i>
<i>Procurement</i>	<i>January 2025</i>	<i>August 2025</i>
<i>Construction</i>	<i>September 2025</i>	<i>December 2026</i>
<i>Relocation</i>	<i>SC - February 2027 HES - February 2027</i>	<i>SC - May 2027 HES - May 2027</i>

## 5.4 Change Management Process

The day-to-day management of the project will be monitored by the SC project manager supported by the project team. Any changes identified will be reported to SRO and if deemed necessary will follow the internal governance process. The principles of the agreed FGGD change management process would be followed and adhered to.

Depending on the level of change would determine the course of action. If minor may be dealt with at local level FGGD programme board. If major change was needed to the project, it would be assessed by the Governments and ministerial approval would be sought. If approved the FGGD Programme Board would be notified, then the project's project plan and baseline would be amended.

A summary of the process is shown below in **Figure 5.2**.



Figure 5.2 FGGD Programme Change Management Approval Process



## 5.5 Legal matters

The project has already attained or is in the process of attaining the following approvals, see

**Table 5.3.**

Table 5.3: Statutory and other Approvals

Approval/Consent	Status	When approved/expected approval date	Comments
Planning	<b>Planning ref: <a href="#">P/25/0065/FUL</a></b>	<b>Validated:</b> 17/02/2025  <b>Approval:</b> 08/08/2025	Given the design changes from the previous scheme ( <a href="#">P/18/0662/FUL</a> ) a new planning application was developed for the Lock 16 Scotland's Centre of Excellence for Canals and Traditional Skills.
Transport management	Part of planning application - see above	Part of planning application - see above	Prior engagement has identified there are not likely to be any issues
Building warrant	<b>BWA/25/0262/NDOM8</b>  Alterations to Industrial Building Refurbishment Stage 1 - Underground Drainage, External Works and Substructure - details can be found <a href="#">here</a>  Alterations to Industrial Building Refurbishment Stage 2 - Downtakings and Slapping Amendments - details can be found <a href="#">here</a>  Alterations to Industrial Building Refurbishment Stage 3 - Fire	Validated: 07/04/2025 Decided: 26/08/2025  Validated: 14/08/2025 Decided: 01/10/2025  Validated: 22/08/2025 Decided: Awaiting determination	

	Strategy Amendments – details can be found <a href="#">here</a>	Target date for determination (8 weeks): 17 <sup>th</sup> October	
	Alterations to Industrial Building Refurbishment Stage 4	To be submitted: Target by Nov 2025 following feedback from stages 1-3	
MoU with HES Collaboration agreement with HES	Approved	Approved – December 2024	
Operating /collaboration agreement with HES	Draft final	Expected approval date – October/November 2025	Partners are committed to the project and no issues are expected – currently being reviewed by legal

## Land Ownership

SC are in the process of buying land from Falkirk Council to facilitate emergency escape from the building. The land has been valued (costs included in the financial appraisal) and discussions are ongoing over the sale.

Falkirk Council are in process of drafting a Notice of Title to register in their name to onward sell to Scottish Canals – timescales estimated for a draft are 9<sup>th</sup> October 2025 and registration in October/November 2025. The project is able to progress (at risk) should the documentation to be available until after approval of the FBC.

## Subsidy

The only relevant legal matter is Subsidy Control. A subsidy Control Assessment has been carried out by Falkirk Council and is provided at **Appendix L**.

It is noted that any support being provided to other organisations (e.g. subsidised rent or training to third parties/businesses) could be considered to be a subsidy and has been reviewed on this basis. The steps to be taken to manage these risks are set out in the Risk Register.

On 28th April 2022, the UK's Subsidy Control Bill received Royal Assent, becoming the Subsidy Control Act 2022. The Subsidy Control Act sets out conditions for public authorities that provide subsidies to businesses. In Scotland this is issued as the Scottish Public Finance Manual (SPFM).

A subsidy refers to a grant, a tax break, a loan, or other form of financial assistance paid from public resources. The new domestic subsidy control regime replaced European Union state aid rules and became operational on the 4th of January 2023.

The Act contributes to fulfilling the UK's obligations under international agreements, such as the World Trade Organization Agreement on Subsidies and Countervailing Measures and the UK-EU Trade and Cooperation Agreement.

The Act places an important obligation on public authorities to consider the seven broad subsidy control principles before granting a subsidy. Six principles are derived from the Trade and Cooperation Agreement and broadly require that subsidies benefit wider society and contribute to public policy objectives.

The Act says that subsidies must be proportionate and necessary, must stimulate change in behaviour of the beneficiary, and be the right means to achieve public policy objectives.

The benefits of a subsidy must outweigh any negative impact on competition and investment in the UK and internationally. The Act adds a UK-specific principle that authorities must design subsidies in a way that minimises any negative effect on competition and investment within the UK. Additional principles apply to subsidies related to energy and environment.

The Act says that public authorities should not grant a subsidy unless the subsidy principles are met. Information about subsidies must be included on a public subsidy database. The UK Government plans to publish further guidance about the practical application of subsidy control principles and other requirements of the Act in due course.

Falkirk Council has taken advice on the Subsidy Control treatment of the project. It has determined that, at this stage, the gateway tests to establish whether a subsidy is present are met and that the grant from Scottish Government would indeed constitute a subsidy. Assessment of the subsequent seven tests set out in the legislation assures the Council that the subsidy is appropriate given the strategic purpose and effect of the project.

Based on the guidance provided by the Subsidy Control Act and the analysis of the funding criteria:

Scottish Canals do not consider the funding applied for to be a subsidy under the Subsidy Control Act 2022. This conclusion is based on the following assessment of the key characteristics which must all be present for funding to be classed as a subsidy:



1. Financial Contribution: The funding is not specific to a particular enterprise, sector, or region but is broadly available to similar projects meeting the programme's eligibility criteria.
2. Public Funds: The financial contribution is provided from public funds.
3. Economic Advantage: The project serves public and community-focused objectives, including heritage, skills development, and cultural preservation. It is not engaged in economic activity, nor does it offer goods or services on the market. It does not confer an economic advantage that is not available on market terms.
4. Effect on Trade and Investment: The funding is unlikely to distort competition or trade within the UK or internationally, as its objectives are non-commercial and serve broader societal benefits.

Given that not all criteria for a subsidy are satisfied we conclude that the funding does not constitute a subsidy under the Subsidy Control Act 2022. As required Scottish Canals/Historic Environment Scotland we seek further advice from appropriate professionals to ensure compliance with the Subsidy Control Act 2022.

## Equalities

An EQIA Assessment has been developed and can be found in **Appendix K**. This will be a live document and will be continually reviewed and updated as required throughout the project.

All necessary teaching accreditation and approved licences will be in place for this project.

## 5.6 Sustainability and Carbon Impacts

### Environmental Sustainability

Achieving high levels of sustainability and ensuring that the project contributes to the net zero plans for both organisations is a key consideration. Lock 16 will be a sustainable home for SC and HES (incorporating a range of uses) with a reduced carbon footprint.

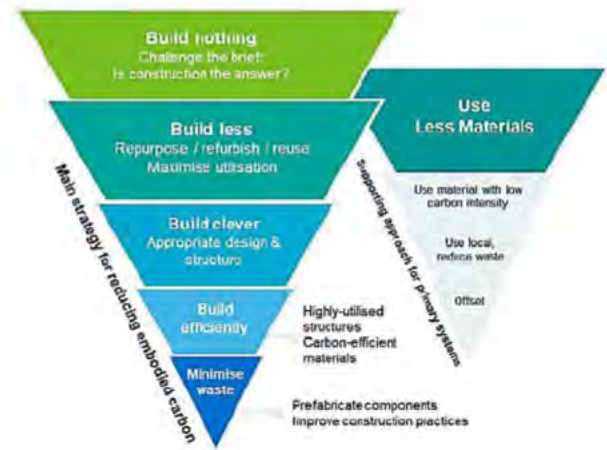
The project aligns with Scottish Government sustainability policy. For example, it will support Scotland's target of producing net zero emissions of all greenhouse gasses by 2045. At a regional policy level, the project aligns with the sustainability principles of the Falkirk and Grangemouth Investment Zone which is committed to achieving a Just Transition and achieving net zero in the local area.

In 2015, SC published its Environment Strategy in direct response to the emerging environmental challenges society faces with the aim of reducing impact on, and enhancing, Scotland's canal environment. This Environment Strategy defines a clear route to delivering sustainable benefits for Scotland Canal's customers and Canalside communities / environments through to 2025. SC has also pledged to become a net zero organisation by 2030, with strategic assets such as the Canal Centre and the Falkirk Wheel being huge contributors to this target.

The Project Team have engaged with the Falkirk Council Planning and Sustainability teams to ascertain whether an Environmental Impact Assessment is required and can confirm it is not (project is subject to other statutory ecological assessments, such as bat surveys).

Lock 16 will include a holistic design and delivery approach to Net Zero that supports circular economy principles:

- Build nothing – apply place principles and inform / challenge the brief.
- Build less – optimise opportunity for repurpose / reuse / refurbish of existing estate.
- Build clever – prioritise passive design principles and fabric first approach.
- Build efficiently – mitigate whole life carbon (embodied and operational) impacts.
- Minimise waste – maximise efficient use of resources & regenerate natural cycles.



SC's adoption of the 'be lean, be clean, be green, be seen' value hierarchy, demonstrates a responsible approach to Net Zero design:

- Prioritise passive principles through site appraisal activity, optimising building design and fabric performance and reducing the need for active solutions.
- Integrate highly efficient systems and services strategies, with intuitive and responsive controls to meet functional and user comfort needs, for the present and future.
- Eliminate the need for fossil fuel use and optimise the potential for renewable energy generation and use, with options explored and identified on-site.
- Drive performance optimisation through accurate and detailed dynamic simulation modelling, with input data and assumptions informed by end user activity and thoroughly sense checked with end user representatives.
- Provision of on-site Electric Vehicle charging facilities, with infrastructure to support future ease of expansion, to charge SC fleet vehicles.

- Sensitively and purposely integrate with nature, offering ecological protection and enhancement, environmental resilience and enhanced user wellbeing, through the creation of multi-functional, quality green space.
- Alignment and integration of life cycle cost and carbon analysis to inform options appraisal activity.

## Economic and Financial sustainability

As set out in the economic case, the project will be sustainable in terms of providing value for money.

As set out in the Financial Case, the project will be sustainable in terms of being affordable into the long term.

### 5.6.1 Carbon Assessment

The carbon assessment has been undertaken in line with Scottish Government guidance<sup>10</sup>. Further detail on the carbon categorisation, including the carbon costs (based on BEIS guidance) for delivering the project is presented at **Appendix H**.

The assessment considers carbon impacts and monetisation of these impacts as additional project costs. The whole life carbon costs of the project are considered, including capital, operational and transport carbon impacts.

**Project Name:** Lock 16 - Scotland's Centre of Excellence for Canals and Traditional Skills'

**Deal Region:** Falkirk and Grangemouth Growth Deal.

**Brief Description of Project:** The regeneration of the former AG Barr building in Camelon, Falkirk to establish an operational base for Scottish Canals and create an accredited training hub to expand traditional skills and volunteer training (upskilling, reskilling and transition) for maintaining Scotland's built and canal heritage.

**Expected Carbon Emissions Impact CONTROL Category (1-5):** Control Category 3 Generates carbon during construction (capital stage), but achieves operational net zero—meaning that, once built, the project emits no further operational emissions.

---

<sup>10</sup> Scottish City Region and Growth Deals: Carbon Management Guidance for Projects and Programmes. See here: <https://www.gov.scot/publications/scottish-city-region-growth-deals-carbon-management-guidance-projects-programmes/documents/>



**Expected Carbon Emissions Impact INFLUENCE Category (A-C):** Emissions Influence Category B. Negligible effect on wider carbon emissions - the project has no measurable effect on wider carbon emissions.

**Justification of Expected Carbon Emissions Impact Category** e.g. a short narrative outlining the key carbon emission sources and their relationship to capital and operational net zero following the Deals Carbon Emissions Impact Categorisation Process: The carbon emissions are anticipated to come through the following sources:

**Capital carbon:** The project does include construction works that will have a one-off carbon impact.

The proposal will refurbish an existing asset, further mitigating embodied carbon impact (when compared with a new build solution).

Pollution prevention measures will be adopted during design, delivery and operation to further mitigate any environmental impact on air, water or land. The approach seeks to support the and protect any existing biodiversity and habitats that are currently present.

Delivering carbon reductions where possible is a primary factor that will run through all elements of the supply chain procurement. It will be achieved through the following:

- Embodied carbon budget identified and used to inform decision making.
- Early supply-chain engagement and viability testing.
- Early request for Environmental Product Declaration (EPDs) to assess product impact and viability.
- Strong emphasis on sustainability within pre-quals - focussing on mitigating embodied carbon and circularity.
  - Use of local supply chain to mitigate transport emissions of products and services to site (while supporting local economic growth).
  - Procurement of services which can offer carbon and circularity benefits.

**Operational Carbon:** Carbon costs associated with the running and operations of the building were considered. We would note that while the project will release carbon during the operational stage, SC and HES will use renewable sources where feasible (eg air source heat pumps) and the relocation of activities and rationalisation of property means that there will be an overall net reduction in carbon compared with the business-as-usual position (moving from older less energy efficient premises with a larger footprint to modern and energy efficient premises).

**Transport Carbon:** Staff, students and volunteers traveling to and from the site have potential to generate a carbon impact. The site is well connected to the town centre by active travel links and has connections to the bus and train network. It is expected that a proportion of those accessing the building will do so via private transport.

**How could the Carbon Emissions Impact Category be improved:**

- Bulk purchase of kit/equipment where feasible and use of schemes such as 'last mile' transportation to minimise road journeys.
- Implementation of active travel and public transport plan.

**How could the carbon performance of the project be improved?** e.g. reducing emissions further, achieving net zero faster: NA – funding availability limits the scope of what can be achieved in terms of carbon reduction.

**How will carbon be managed?** e.g. through PAS 2080: Carbon Management in Infrastructure for infrastructure projects or the RICS Whole Life-Cycle Carbon Professional Statement for buildings projects: The main contractor, Robertson Construction will demonstrate and report on appropriate management of carbon during the construction process by following recognised and certified standards such as PAS 2080.

## 5.7 Monitoring and Evaluation

Both SC and HES will have responsibility for the ongoing monitoring and evaluation of the project. Note that this will be aligned with, and feed into, both the regional and project-level Benefits Realisation Plans, as well as the requirements of other funders – RCGF and NLHF.

A comprehensive monitoring and evaluation strategy will be adopted for the project that aligns with the FGGD programme requirements. It will ensure that all the project parameters are fully considered, and robust procedures put in place for the effective management including monitoring, evaluation, co-ordination and recording of the various actions and procedures throughout the duration of the project.

A project monitoring and evaluation strategy has been developed, with the objectives and expected benefits to be tracked through a Benefits Realisation Plan. Falkirk Council will monitor the project through its internal management and governance processes and will deliver an interim and final evaluation report of the project following construction completion in line with the Gateway Review process.

Monitoring and evaluation of the project will be aligned with the IPMU approach for the wider Growth Deal programme. Arrangements for reporting against the Benefits Realisation Plan will include:

- Establishing a baseline value for each benefit.
- Establishing the primary source of data and frequency of collection.
- Preparation of monthly/ quarterly/ annual reports providing update on progress against the baseline and targets, and submission of reports to internal Working Groups/ Committees, IPMU, and external review/ evaluation; and
- Oversight of, input to, and validation of, the key Gateway stage evaluations.

In line with the tracking of benefits, all project monitoring and evaluation will be undertaken in line with the IPMU's Benefits Realisation Strategy. The Project Lead will be responsible for providing the IPMU with project output data as will be agreed in the project benefits realisation plan. The collation of project outputs will be carried out by the IPMU dedicated Benefits Realisation Officer. FC will commence monitoring of project outputs during the design and construction of the project, including monitoring of both contractual and voluntary community benefits. The IPMU will work closely with Growth Deal advisory board to ensure that the project output data collected is compatible with the requirements of programme wide economic evaluation.

Post completion, the ongoing project monitoring and evaluation will be managed and implemented by Falkirk Council using in-house staff resource and supplemented by external specialist consultants as required.

The BRP shown in **Appendix C** and the Project SMART objectives will act as indicators to monitor the success of the project.

Measurables for each objective will support the monitoring and evaluation of the project and to examine the success of the project. These measurements will be reported on, internally evaluated and contribute to the overall programme level Deal.

The project manager along with the project leads will be responsible for the project monitoring and evaluation activity, reporting to the SRO who is responsible for the overall benefit delivery.

The monitoring and evaluation of the project will take place from the beginning of the project through to the delivery and completion of the project and will continue post project completion. This will enable the project to be monitored and evaluated continuously, rigorously and comprehensively.



The quantitative and qualitative benefits that the project is anticipated to create (**Table 1.5**) will be assessed through a range of mixed method qualitative approaches at the evaluation stage, for example, surveys, case studies, focus groups, etc.

**Table 5.4: Monitoring and Evaluation KPIs**

Indicator	Source of Data	Measure	Responsibility	Capture Method	Frequency
<b>FGGD Regional Measures</b>					
Total Funding	Approved Business Case	£'s forecast and actual (By project, by theme)	SRO/Project Lead	Finance Report as part of progress report	Annually
Leveraged Funding - Public	Approved Business Case	£'s forecast and actual (By project, by theme)	SRO/Project Lead	Finance Report as part of progress report	Annually
Construction employment	Project Procurement	Value (£) by core theme Value (£) by project	SRO/Project Lead	Benefits Reporting Template	Annually
Construction contracts	Project Procurement	Person Year Equivalent: By theme and By project	IPMU	Benefits Reporting Template	Annually
Jobs created	Engagement with businesses and others accessing support from the project	Count	SRO/Project Lead	Benefits Reporting Template	Annually
GVA created	SRO/Project leads to provide input data that will inform the GVA model	£ total and average per employee	SRO/Project Lead and IPMU	Benefits Reporting Template	Annually
Development Space Unlocked	End of Project Report/ construction completion certificate	Ha	SRO/Project Lead and IPMU	Benefits Reporting Template	Annually
Participation in education	End of project report / monitoring	Number of Falkirk residents participating (enrolled) in education and training	SRO/Project Lead	Benefits Reporting Template	Annually
Qualifications	End of project report / monitoring	Number of Falkirk residents gaining qualifications	SRO/Project Lead	Benefits Reporting Template	Annually
Project Carbon Category	Project leads to provide input data that will inform the carbon impact model	Categorised following SCRGD Carbon Categorisation Guidance	SRO/Project Lead and IPMU	Project Business Cases and Benefits Reporting Template	Annually
Construction Carbon	Project leads to provide input data that will inform the carbon impact model	(£/tonne per year) and By Project	SRO/Project Lead and IPMU	Project Business Cases and Benefits Reporting Template	Annually
Operational Carbon	Project leads to provide input data that will inform the carbon impact model	(£/tonne per year) and By Project	SRO/Project Lead and IPMU	Benefits Reporting Template	Annually

Project Specific Measures					
Indicator	Source of Data	Measure	Responsibility	Capture Method	Frequency
Access to apprenticeships and/or traineeships	Number of training weeks completed	Annually	Access to apprenticeships and/or traineeships	Number of training weeks completed	Annually
Greater awareness of opportunities within the historic environment and heritage sector	End of project report / monitoring	Number of school visits and engagement events held	SRO/Project Lead	Benefits Reporting Template	Annually
Positive destinations	End of project report / monitoring	% of students moving on to positive destination (employment, education, training)	SRO/Project Lead	Benefits Reporting Template	Annually
More trained volunteers	End of project report / monitoring	Count/number accessing volunteer training	SRO/Project Lead	Benefits Reporting Template	Annually
Skills and labour demand met in Falkirk	End of project report / monitoring	Number of businesses reporting a traditional skills gap	SRO/Project Lead	Benefits Reporting Template	Annually
Land and amenity value uplift	End of project report / monitoring	£	SRO/Project Lead	Benefits Reporting Template	Final evaluation
Commercial income raised	End of project report / monitoring	£	SRO/Project Lead	Benefits Reporting Template	Annually
In-study income	End of project report / monitoring	£	SRO/Project Lead	Benefits Reporting Template	Annually
Cost savings	End of project report / monitoring	£	SRO/Project Lead	Benefits Reporting Template	Annually
Social impact - wages and wellbeing value of volunteering	End of project report / monitoring	£	SRO/Project Lead	Benefits Reporting Template	Final evaluation

### 5.7.1 Project End Reporting

In line with FGGD requirements, SC and HES will prepare an end of project report (based on the required reporting template outlined in the assurance framework documentation).

## 5.8 Risk Management and Contingency Plans

A series of potential risks that could affect the successful implementation and delivery of the project have been identified and are set out in detail in the Risk Register in **Appendix D** which provides a register in line with FGGD reporting, a risk register covering the capital elements/construction and a register that covers the ongoing operational delivery of the project.

These three project risk registers will be maintained, reviewed and monitored continuously throughout the project by the project manager. Formal reporting of risk will be part of the progress updates dashboard provided to the FGGD IPMU and Lock 16 Joint Committee.

The SC Project Manager will utilise a project risk management plan to support the identification, analysis, evaluation and mitigation of potential project risks. The severity and likelihood of potential risks will be reviewed, and mitigation measures will be identified. Any potential risks will be promptly addressed to ensure the project outcomes are achieved, that the project stays on track and minimises any impact. The risk register will feed into the overall FGGD programme risk register.

Significant risks will be escalated to the Lock 16 Joint Committee and FGGD IPMU and follow the deal risk management process. The risk register will be considered a living document and will further develop as the project progresses.

The contingency plan will:

- Identify possible risks surrounding material availability, budget constraints and external shifts in market / economic conditions that cause project delays.
- Identify resources to effectively address risks and procedures in place to utilise these resources in specific events.
- Share the contingency arrangements with stakeholders and essential team members.
- Incorporate feedback and regular update of the plans and arrangements.

## 5.9 Communications Plan

The project team will be supported by their respective internal Communications and Marketing teams to develop a communications plan that is consistent and in alignment with the overall organisational messaging and branding. Full details of the communications plan will be provided at the FBC stage.



The current plans include the set-up of a Communications Group that will meet quarterly to:

- Populate and agree a communications planner and upcoming activity.
- Update the key communications documents relating to Lock 16 delivery and operation.
- To discuss the handling of any forthcoming communications opportunities that have arisen since the previous meeting.

The Communication plan will reflect the Deal Funding and Government as the source of funding. Within the plan, it will detail the project's internal and external stakeholder audience, the communication channels that will be used and the frequency of the communications. The plan will also distinguish between local, regional and national communications. To ensure that the stakeholders are effectively informed and are fully engaged with the project this will be planned appropriately. See **Appendix J**.

## 6 Appendices

---

The FBC is supported by the following appendices – attached separately.

**Appendix A:** Scottish Canals and Historic Environment Scotland Memorandum of Understanding and Lease Heads of Terms.

**Appendix B:** NLHF Activity Strategy and Plan.

**Appendix C:** Benefits Realisation Plan.

**Appendix D:** Risk Register.

**Appendix E:** Project Design.

**Appendix F:** Job Specifications.

**Appendix G:** Standard Terms and Conditions.

**Appendix H:** Social Cost Benefit methodology.

**Appendix I (i):** Project Programme.

**Appendix I (ii):** Construction Programme.

**Appendix J:** Draft Communication Plan

**Appendix K:** EPIA.

**Appendix L:** Subsidy.

**Appendix M (i):** Main contractor approach to appointing subconsultants.

**Appendix M (ii):** Procurement – Subconsultants.

**Appendix N:** Scotland Excel - M&E Guidance for Tenders

**Appendix O:** Main Contractor Tender Report.