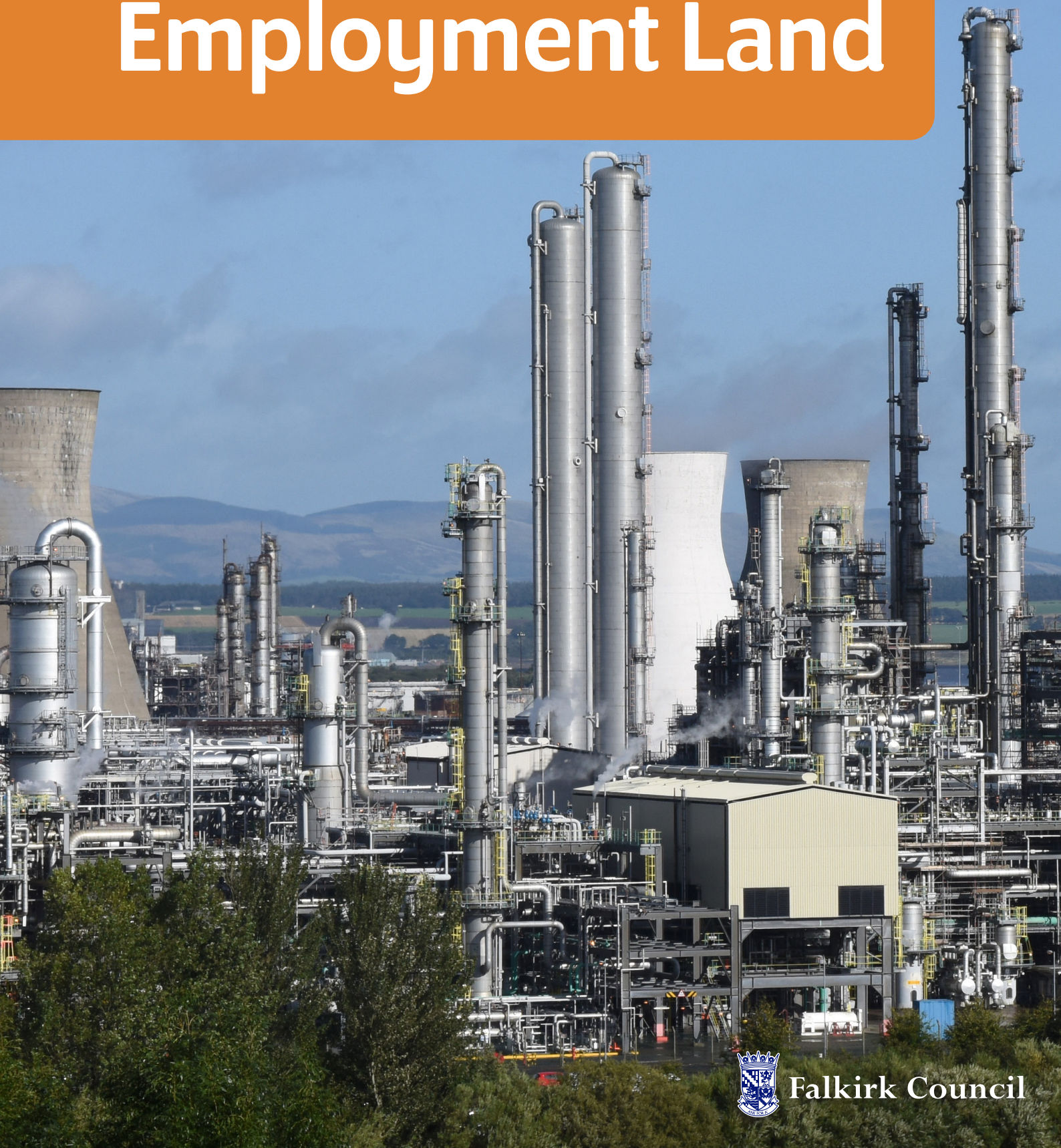


Falkirk Local Development Plan 3
Topic Papers March 2024

Economy and Employment Land



Falkirk Council

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1. Introduction

- 1.1 This topic paper contains evidence on the economy of the Falkirk Council area. Its purpose is to support the preparation of LDP3 and in particular to provide input to the LDP3 Evidence Report. The paper provides information on the policy context, the economic profile of the area, the particular role of Grangemouth in the local and national economy, and the provision and take up of employment land. Information relating to town centres and retailing is dealt with in a separate topic paper.



2. Policy Context

National

- 2.1 **Scotland's National Strategy for Economic Transformation 2022** sets out priorities for Scotland's economy over a 10 year period with a focus on the vision of creating a well being economy.
- 2.2 **National Planning Framework 4 (NPF4)** contains several policies with a direct relationship to the economy including Policy 25 (Community Wealth Building), Policy 26 (Business and industry), Policy 29 (Rural development) and Policy 30 (Tourism). In terms of National Developments, ND15 Industrial Green Transition Zones includes Grangemouth, its critical strategic economic infrastructure, and its future role in decarbonising the Scottish economy.

Regional

- 2.3 Clackmannanshire, Falkirk and Stirling Councils have formed a regional economic partnership covering the Forth Valley and are working towards the preparation of a **Forth Valley Regional Economic Strategy**. The work involves a range of public and private stakeholders, with the focus of work being on transport, tourism, business support and low carbon.
- 2.4 The Forth Valley authorities also worked together in 2020-21 to produce an indicative Forth Valley Regional Spatial Strategy. Strategic development opportunities included Innovative Connected Economic Centres, reflecting the challenges and potential associated with the three principal cities/towns, the Grangemouth Investment Zone, and a notional Forth Valley Tourism Network.

Local

2.5 The **Falkirk Local Development Plan 2 (LDP2)** includes four Strategic Business Locations which are clusters of business or industrial sites located along the M9/M876 corridor as follows:

- Falkirk Investment Zone;
- Grangemouth Investment Zone;
- Larbert Gateway;
- Eastern Gateway.

LDP2 includes policies promoting development in these locations. It also identifies core business areas where existing industrial areas will be safeguarded, as distinct from other business areas where redevelopment for other uses may be permitted. LDP2 also identifies key tourism nodes and how these fit into strategic tourism networks/themes (town centres, canal corridor, CSGN, Antonine Wall, Gateway Services).

2.6 The **Falkirk Economic Strategy 2015-2025** examines challenges and opportunities in the local economy and focuses on three key priority areas: growth, investment and inclusion. The **Falkirk Area Tourism Strategy 2023-2028** was approved in June 2023. It identifies a number of areas of action including building up attractions, amplifying destination branding, enabling success and delivering through partnership.

2.7 The **Falkirk Growth Deal** promises to lever in significant investment to the local economy, estimated at £1 billion and creating some 2000 jobs. Heads of terms were signed in December 2021, providing £80m to be invested in projects under the following themes: Innovative Industry (CO2 Utilisation Centre; Bioeconomy Accelerator Pilot Plant; Strategic Innovation Sites; Transport Renewables and Career Exploration Hub; Innovation Skills Transition Centre) and Creating Great Places (Central Sustainable Transport Hub; Scotland's Canal Centre; National Outdoor Art Park; Greener Grangemouth; Falkirk Arts Centre).

2.8 Since 2013, further investment in infrastructure to assist economic development has been made available through the **Tax Increment Finance (TIF) Initiative**, which is funding a range of transport and other projects designed to unlock or enable strategic sites.

3. Economic Profile

Labour Market Profile

- 3.1 Figures 1-3 provide information on labour supply. The number of economically active people living in the Falkirk area is 78,300, which is slightly lower as a proportion of the total population than Scotland as a whole. Unemployment levels are also slightly higher than the national average. In terms of occupational categories, the lower percentage of professional occupations in Falkirk is notable, as is the higher percentage of process plant and machine operatives, reflecting the relatively high level of manufacturing in the area. Average earnings are slightly below the Scottish average.

Figure 1: Economic Activity and Inactivity (October 2022 - Sept 2023)

	Falkirk (No)	Falkirk (%)	Scotland (%)
Economically Active	78,300	76.7%	77.9%
In Employment	75,300	73.7%	75.2%
Employees	66,800	65.6%	67.2%
Self Employed	8,300	8.1%	7.7%
Unemployed	2,700	3.5%	3.4%
Economically Inactive	23,300	23.3%	22.1%

Source: NOMIS

Figure 2: Employment by Occupation (October 2022 - Sept 2023)

	Falkirk (%)	Scotland (%)
Managers, Directors and Senior Officials	7.0%	7.6%
Professional	21.2%	26.5%
Associate Professional	12.7%	16.1%
Administrative and Secretarial	12.6%	9.1%
Skilled Trades	14.1%	9.7%
Caring Leisure and Other Service	9.1%	8.3%
Sales and Customer Service	8.7%	7.1%
Process Plant and Machine Operatives	7.8%	4.8%
Elementary Occupations	6.8%	10.4%

Source: NOMIS

Figure 3: Earnings by Falkirk Council Residents (Gross weekly pay)

	Falkirk (£)	Scotland (£)
Full Time Workers	£690.8	£702.4
Male Full Time Workers	£553.8	£725.7
Female Full Time Workers	£729.9	£672.0

Source: NOMIS

- 3.2 On the labour demand side, Figure 4 illustrates the trend in the number of jobs in the Falkirk Council area from 2010 to 2021. It shows a degree of growth in this time period. The 'job density' (ratio of jobs to population aged 16-64) is 0.72 which is less than the Scottish figure of 0.81.

Figure 4: Total Number of Employee Jobs 2015 - 2022

Year	No of Jobs
2015	71,000
2016	74,000
2017	73,000
2018	71,000
2019	72,000
2020	71,000
2021	74,000
2022	72,000

Source: NOMIS



3.3 The distribution of jobs by industry is shown in Figure 5. Sectors which are well above the Scottish average include manufacturing and healthcare/social work, whilst transportation/storage and construction are also significantly above the national figure. By contrast, information/communication, accommodation/food services and financial/insurance and professional/scientific/technical are below the national average.

Figure 5: Employee Jobs by Industry 2022

	Falkirk (%)	Scotland (%)
Mining and quarrying	0.1%	1.0%
Manufacturing	10.6%	6.9%
Electricity/Gas Supply	0.8%	0.8%
Water, Sewerage, Waste, Remediation	0.5%	0.7%
Construction	6.8%	5.7%
Wholesale and Retail Trade	13.6%	12.9%
Transportation and Storage	6.8%	4.1%
Accommodation and Food Services	5.3%	8.4%
Information and Communication	0.8%	3.2%
Financial and Insurance	0.6%	3.3%
Real Estate	0.9%	1.3%
Professional, Scientific and Technical	3.8%	7.4%
Administrative and Support Services	6.1%	8.1%
Public Administration and Defence	6.1%	6.5%
Education	6.8%	8.8%
Human Health and Social Work	27.3%	15.7%
Arts, Entertainment and Recreation	2.3%	3.0%
Other Service Activities	1.2%	1.6%

Source: NOMIS

Sectoral Profile

- 3.4 As shown in Figure 5, the area's economy has sectoral strengths in manufacturing, construction, warehousing and distribution. Grangemouth is Scotland's largest container port and is a key intermodal hub for Scotland's logistics industry, with several logistics and haulage companies having a major presence. It is also home to INEOS, one of the world's largest independent chemical companies, with its refinery and petrochemical facilities, and to a cluster of chemical companies including Calachem, Syngenta and Fujifilm. In Falkirk, Alexander Dennis Ltd is a global leader in bus manufacturing. Food and drink and timber processing are also important manufacturing sectors. Retail is important, although structural changes in the industry, notably internet shopping, continue to pose major challenges for town centres, and these are adapting to a broader service based role.
- 3.5 The public sector is a major employer, with Falkirk Council and NHS Forth Valley being the key anchor institutions. The location of Forth Valley Royal Hospital in Larbert is particularly significant.
- 3.6 Tourism and hospitality has become an increasingly important strand in the economic fabric of the area, the Falkirk Wheel and Helix/Kelpies combining to make the Falkirk area one of the most popular Scottish tourist destinations. In 2019, the value of tourism to the local economy was £137m, an increase of 79% since 2010. This was generated by 949,000 visits (increase of 51% since 2010) and supported 2,200 jobs. This growth outpaced that in Forth Valley as a whole. Overnight visitor accommodation has increased some 31% between 2015 and 2020.
- 3.7 Figure 5 also highlights industries which are under-represented in the Falkirk area such as finance, business services, information and communications, and the need to diversify the local business base by encouraging some of these growth sectors.



Productivity and Economic Growth

- 3.8 Productivity in the Council area, as measured by Gross Value Added (GVA) per capita, has lagged behind the Scottish average. It stood at £39,363 in 2020, compared with the Scottish figure of £41,581.
- 3.9 On average Falkirk's economy, as measured by GDP, grew by 0.6% each year from 2009-2019. From 2019 to 2020, the region's economy contracted sharply as measures were taken across the UK to limit the spread of COVID-19. The contraction of economic output in Falkirk was estimated to be 9.4 per cent between 2019 and 2020, which was smaller than what occurred across Scotland.

Commuting

- 3.10 The Falkirk area's excellent accessibility to other centres of employment means that outward commuting is a significant feature, although the 2011 census indicated that some 65.5% of the Falkirk area's employed residents worked within the area showing a reasonable degree of self containment. The top destinations for working outwith the area are Stirling, Edinburgh, West Lothian, Glasgow and North Lanarkshire, followed by Clackmannanshire and Fife.

Economic Disadvantage

- 3.11 Overall economic information for the area can mask significant economic disadvantage in some communities. The Scottish Index of Multiple Deprivation data for 2020 measures relative deprivation across a basket of measures, of which income, employment and education/skills are key variables. Some 15% of Falkirk residents live in the 20% most deprived areas in Scotland. 14 datazones are within the 10% most deprived areas in Scotland, with these located in North Falkirk, Camelon, Hallglen, Grangemouth and Maddiston. Economic disadvantage in Grangemouth is particularly striking, given the scale of the industrial presence in the town, highlighting a certain disconnect between the Grangemouth companies and the local labour market.

4. Grangemouth

Just Transition

- 4.1 The Grangemouth industrial cluster is central to Scotland's economic and net zero objectives, reflected in its inclusion in NPF4 as a National Development 15: Industrial Green Transition Zone. As well as being a major contributor to the Scottish economy, it is the largest source of industrial greenhouse gas emissions in the country. The aim is effect a 'Just Transition' whereby industry can transition to zero and low carbon technologies in a way that supports the prosperity and well-being of local communities. A Just Transition plan is being prepared overseen by the Grangemouth Future Industries Board.

Ineos

- 4.2 Ineos is the foremost industrial presence in Grangemouth, comprising three companies: Ineos O&P UK, which manufactures petrochemical products; Petroineos, which runs the refinery and produces the bulk of fuels used in Scotland; and Ineos FPS, which owns, operates and manages the transportation of crude oil and gas liquids from offshore and onshore entry points, via buried pipelines between St Fergus, Cruden Bay, Kinneil and Dalmeny. The site occupies some 650 hectares. A new HQ has been built on Inchyra Road in recent years, whilst redundant plant has been progressively cleared, leaving almost 100 ha of vacant land which offers a major opportunity for investment in low and zero carbon technologies.
- 4.3 Ineos has set routed for achieving net zero emissions by 2050 which is based on the manufacture of blue hydrogen allied to carbon capture technology, which will take the place of hydrocarbons to power the plans' manufacturing processes. The intention is that captured CO₂ would be routed to the Scottish Cluster's Acorn CO₂ transport and storage project.

Forth Ports

- 4.4 Grangemouth Port is Scotland's largest port handling some 9 million tonnes of cargo each year through specialist container, liquid and general cargo terminals. This cargo flow represents some 30% of Scotland's GDP, highlighting the port's essential role as an economic facilitator. Forth Ports continue to invest in freight handling facilities and railhead improvements, along with an ongoing programme of warehouse construction. Operational development, including the warehousing, benefits from port permitted development rights.

Chemical Cluster

- 4.5 Earls Gate Road is the focus for a cluster of companies involved in the manufacture, storage and distribution of chemical products. These include Syngenta; CalaChem; Fujifilm; and HW Coates Limited. The cluster is long established, dating back to the first chemical manufacturing at Grangemouth in 1919, and represents a major complex of specialised, interconnected and mutually supportive plant. More recently, Earls Gate Park has been developed on recycled industrial land adjacent to M9 Junction 6, with key occupiers including Piramal, Celtic Renewables and Earls Gate Energy Centre.



Infrastructure

- 4.6 Grangemouth faces a number of infrastructure issues which need to be tackled if its potential for industrial investment is to be fully realised. These include ground remediation, transport links, and flood protection. Capacity issues at Junctions 5 and 6 on the M9 have largely been addressed through upgrading/signalisation of these junctions, and the A904 Westfield scheme, which has commenced, will further improve industrial access between Grangemouth and the M6. The Grangemouth Flood Protection Scheme (GFPS) is progressing but requires resolution of funding given the significant and rising costs of the project.

Growth Deal

- 4.7 The Falkirk Growth Deal has a focus on the just transition of Grangemouth to net zero, through industrial innovation. The two key projects are a Carbon Dioxide Utilisation Centre and Biotechnology Accelerator Pilot Plant, which could be co-located to form a Sustainable Manufacturing Campus, potentially at Wholeflats Business Park. Meanwhile, the Greener Grangemouth project aims to ensure that the community and the wider regeneration of the town will be centre of the just transition.



Forth Green Freeport

- 4.8 The Forth Green Freeport (FGF) was shortlisted by the Scottish and UK Governments in January 2023, following a competitive bid process to identify potential Green Freeports in Scotland. Grangemouth is a key part of FGF, with tax sites comprising land at Ineos, Grangemouth Port and the Chemical Cluster. Green Freeport status attracts a range of tax and customs incentives, access to other levers, such as planning support, marketing and promotion support, collaboration with government agencies, access to up to £25m of seed funding, and locally retained non-domestic rates for reinvestment. This toolkit of levers is intended to create a more attractive ecosystem for future inward investment and trade opportunities, thus encouraging new or additional industrial activity.

Challenges and Opportunities

- 4.9 Clearly, Grangemouth faces a major challenge in moving to a net zero carbon future, given the current level of emissions and the fact that so much of its business is carbon based. However, the just transition also offers an opportunity for major new investment, for the town to become centre of innovation in low carbon technologies, facilitated by FGF and the Growth Deal, and for the local community to benefit from this investment.



5. Employment Land

- 5.1 To monitor the availability, marketability and take up of employment land, the Council carries out an annual Employment Land Audit (ELA). It includes sites which are allocated for business or mixed use in the LDP, as well as other areas of land which have planning permission for business use ([link to ELA sites map](#)).

Employment Land Delivery and Take Up

- 5.2 The 2023 ELA indicates that some 37.5 hectares of employment land was taken up between 2015 and 2023, a rate of 4.7 hectares a year. 1 hectare was developed for non-business uses. Take up has been driven mainly by demand in Grangemouth, specifically at the port due to Forth Ports ongoing programme of warehouse construction and Earls Gate Business Park. Latterly, Abbotsford Business Park has also been successful at attracting development.
- 5.3 In terms of delivery progress at the various Strategic Business Locations, the following comments can be made.
- 5.4 The status of sites within the **Falkirk Investment Zone** is as follows
- Abbotsford Business Park - site is masterplanned and serviced, and after a slow start has been attracting significant interest, with two plots developed and good prospects for further investment;
 - Falkirk Gateway/Stadium - Council owned parts of the Falkirk Gateway are progressing following development agreement with Hargreaves Land/Fintry Estates with planning applications expected in 2024. Stadium has been further utilised as an operational council office base, and part of the surrounding land taken up by a synthetic training pitch;
 - Caledon Business Park - site is stalled and there is no active developer interest.

- 5.5 The status of sites within the **Grangemouth Investment Zone** is as follows:
- Ineos - large areas of brownfield land have been progressively cleared, and present opportunities for low and zero carbon technologies as part of Ineos net zero roadmap, and other co-location opportunities. Land remediation required. Part of FGP tax site;
 - Grangemouth Port - substantial take up of land for new warehousing and port operational development;
 - Earls Gate Park - land is nearly all developed;
 - Wholeflats Business Park - Council owned site offers potential location for Sustainable Manufacturing Campus under Growth Deal.
 - South Bridge Street - Council owned site was unsuccessfully marketed and has ground condition issues, but is now under consideration as part of FGF proposals.
 - Glenburgh - Council owned site is not currently being progressed due to access difficulties which limit its marketability.
- 5.6 The status of sites within the **Larbert Gateway** is as follows;
- Glenbervie - no movement on large, former single user site. Evidence was presented to last LDP inquiry cited high site development costs and viability issues. No recent take up within existing business park.
 - Hill of Kinnaird - site was reallocated as mixed use in LDP2, but currently stalled.
- 5.7 The status of sites within the **Eastern Gateway** is as follows:
- Gilston - site was reallocated as mixed use in LDP2. Site acquired by Cala who are marketing business site
 - Whitecross - Manuel Works site was allocated in LDP2 for business use. PPP granted for mixed use with substantial business component, but no recent progress on delivery.
- 5.8 The ELA also contains a number of Town Centre opportunities which derive from LDP2 and are identified for mixed town centre uses. For Falkirk Town Centre, the recently approved Town Centre Vision and Development Framework highlights the role which workspace could play in these sites, and other opportunities for repurposing vacant or underused floorspace. Similar opportunities may arise in Grangemouth Town Centre through the Greener Grangemouth project.

Employment Land Supply

- 5.9 The 2023 ELA identifies the amount and level of marketability of employment land across the area, which is summarised in Figure 6. Sites considered to be 'immediately available' are relatively, though not necessarily completely, free of constraints, whilst 'marketable but with constraints' indicates a more substantial level of constraint which can be overcome in a reasonable time period. It should be noted that for some mixed use sites (e.g. town centre sites), planning is not sufficiently advanced to know the extent of the business component and no site area is attributed to these in the supply figures.
- 5.10 In terms of spatial distribution, almost half the supply is located in Grangemouth, most of which comprises the Ineos and Forth Ports land. Falkirk comprises a further quarter. The distribution reflects the focus on the Strategic Business Locations along the M9/M876 corridor.

Figure 6: Employment Land Supply

	No of Sites	Area (ha)
Land immediately available	17	77.1 ha
Land marketable but with constraints	14	157.0 ha
Land with major constraints limiting marketability	1	4.5 ha
Total	32	238.6 ha

Source: Employment Land Audit

- 5.11 Clearly there is a very substantial supply of employment land in the area, in relation to the rate of take up, but consideration needs to be given to the flexibility of the supply, particularly given that land at Ineos and Grangemouth Port is likely to be reserved for specific purposes. The constrained nature of the much of the supply is also a concern, although substantial resources are being made available to address this through TIF and the Growth Deal. FGF could well be a significant game changer in terms of driving demand for employment land and also drawing in additional resources to unlock the potential of existing stalled sites.

Core Business Areas

- 5.12 LDP2 identifies a number of existing core business area which are important to the local economy and are generally safeguarded for employment use under Policy JE02 (link to JE02 LDP2 areas). These are distinct from other industrial areas whose status, amenity and location is of a lower order and where redevelopment for other purposes is sanctioned under Policy JE03. Although availability of property and land in core business areas is not routinely monitored, they provide an additional resource for attracting new investment and have the advantage that access and servicing is normally readily available. The core business areas are as follows:

Falkirk

- Callendar Business Park;
- Middlefield Industrial Estate;
- Bankside Industrial Estate;
- Merchiston Industrial Estate;
- Abbotsford Business Park.

Grangemouth

- Earls Road/Wood Street;
- Bo'ness Road/Wholeflats Road/Inchyra Road;
- Grangemouth Docks;
- West Mains/Laurieston Road;
- Gateway Business Park.

Larbert

- Central/Glenbervie Business Park;
- Lochlands Industrial Estate;
- Carronshore Industrial Estate;
- Carrongrove Business Park;
- Carron Works.

Denny

- Winchester Avenue Industrial Estate.

Bonnybridge

- Chattan Industrial Estate;
- Canalbank Industrial Estate;
- Bonnybridge Industrial Estate.

6. Summary

6.1 The key points are:

- There are around 78,300 economically active people living in the Falkirk Council area, and 74,000 employee jobs. Productivity, as measured by GVA per capita, and earnings are slightly below the Scottish average.
- Unemployment is above the national average and there are pockets of significant economic disadvantage in various communities across the area.
- The area has a number of sectoral strengths including manufacturing, logistics, human health and social work, and construction, whilst tourism is a significant growth area. Finance, business services, information and communications are under-represented.
- Grangemouth is central to the Scottish economy, hosting the country's busiest port, refinery and largest cluster of chemical and petrochemical manufacturing. It is also the biggest industrial generator of greenhouse gas emissions, and its transition to a zero carbon future is critical to meeting national climate change targets.
- The Forth Green Freeport proposals and Falkirk Growth Deal projects are designed to facilitate investment in Grangemouth's net zero future.
- The area has a supply of marketable employment land amounting to 234.1 ha, whilst annual take up is running at about 4.7 ha per year. However, much of the supply is in Grangemouth and will service specialist sectoral needs, and much of it is subject to constraints which will need substantial investment to overcome.



Sources

- [National Planning Framework 4](#)
- [Falkirk Local Development Plan 2 \(LDP2\)](#)
- [NOMIS Falkirk Labour Market Profile](#)
- [SLAED Indicators Framework Report 2021-2022](#)
- [Falkirk Economic Strategy 2015-2025](#)
- [Falkirk Area Tourism Strategy 2023-2028](#)
- [Employment Land Audit 2023](#)

