

South Ayrshire Council

**Report by Director of Strategic Change and Communities
to Cabinet
of 28 November 2023**

Subject: Business Support – Refreshed AMBITION Programme

1. Purpose

1.1 The purpose of this report is to seek approval for the revision and update to the business support AMBITION Programme funded by the UK Shared Prosperity Fund (UKSPF).

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 approves the revision and update to the business support AMBITION Programme to include three new products:

- **Green AMBITION;**
- **Digital AMBITION;**
- **Productivity AMBITION; and**

2.1.2 requests that a performance update be provided to the Service and Performance Panel of 19 November 2024.

3. Background

3.1 The AMBITION Programme was first launched in 2013 to provide expert advice and support to both start-up and existing businesses. The AMBITION brand is now well established within the business support network. The programme was part funded by the European Regional Development Fund (ERDF) and the Council. There are two distinct strands within the current Ambition programme:

3.1.1 ***Ambition to Grow*** – supports business owners and managers to consolidate and grow their business. The current programme offers grants of up to £50,000 to support business growth opportunities, at up to a 100% intervention rate.

3.1.2 ***Ambition to Start*** – provides business planning advice, access to workshops, expert advice and grant assistance of up to £1,000 to those businesses with the ambition and ability to employ an additional member of staff within the first two years of trading.

- 3.2 Businesses have emerged from the Covid-19 pandemic to be confronted by significantly different trading conditions as the UK economy grapples with increased inflationary pressures, part driven by unforeseen exponential increases in the costs of energy and supply chain costs, rising costs, staff and skills shortages.
- 3.3 Whilst financial support to offset rising costs in the short-term would be welcomed by businesses, this would not address the underlying need to reduce energy consumption, increase productivity and the required transition to renewable sources. Businesses require support to identify and implement changes which can deliver a reduction in energy usage, transition to renewable energy sources and drive productivity through operational improvements including digitisation.

4. Proposals

- 4.1 The Shared Prosperity Fund (SPF) is the replacement fund for ERDF. The SPF investment plan was approved by Cabinet on 20 June 2023. Subsequently Government approval has been received on 20 September 2023. The SPF investment plan provides a total budget for supporting our businesses of £360,000 for 2023/24 and £630,000 for 2024/25, comprising grants to businesses and Council staff costs. It is proposed that SPF is used to fund the ambition programme going forward.
- 4.2 The changes to the programme are proposed to meet the economic need to support businesses to address rising input costs, in particular energy. A suite of complementary interventions is proposed that will assist companies to drive business performance through energy efficiency and carbon reduction, productivity and digitisation:
- 4.2.1 **Green AMBITION** – Green AMBITION has been developed to support business transition to new lower cost and greener sources of energy. This activity will be delivered in collaboration with Business Energy Scotland and other expert advisors. Business Energy Scotland are funded by the Scottish Government to help small and medium sized companies to use energy more efficiently, reduce carbon footprint and save money. Following an energy audit, South Ayrshire Council will provide grant assistance of up to £20,000 at a variable intervention rate of 60% to 100%. Value of grants will be determined based on the scale of the project to be undertaken and economic benefit gained by South Ayrshire, particularly in respect of the number of jobs safeguarded and created.
- 4.2.2 **Digital AMBITION** – will seek to provide businesses with the tools and techniques to ensure they maximise their digital opportunities to compete, grow and project their brand to a wider than local audience. Companies will be offered expert advice through the Ambition programme framework. Grant funding of up to £10,000 will be made available at an appropriate intervention rate to support the implementation of recommendations made by the Digital expert. Grant values will be determined on the scale of economic benefits to South Ayrshire.
- 4.2.3 **Productivity AMBITION** – targets support to the manufacturing sector and will help businesses analyse their current processes, identify opportunities for improvement and introduce measures that can increase operational efficiency, through process improvements, data capture and intelligence and investments in new energy efficient manufacturing technologies. Companies will be offered expert advice in collaboration

with the Scottish Manufacturing Advisory Service (SMAS). Grant funding of up to £20,000 will be made available at a 60% intervention to support the implementation of any recommendations made. Grant values will be determined by the scale of the project to be undertaken and the economic benefit to South Ayrshire.

4.3 The appraisal methodology will be based on local jobs creation, sales income generated from outwith the region, strategic importance to the local economy and rural economy, key sectors and contribution to the green economy. The Economy and Regeneration team will liaise with the Internal Audit team to gain assurance that sufficient controls are in place to verify the applications prior to approval and payment of funds from the programme and that the application process reflects the Ambition Programme requirements as detailed in this report.

4.4 Through the refreshed AMBITION programme, records will be kept of the cumulative financial assistance received by organisations to ensure compliance with the UK Subsidy Control Act 2022 with oversight and approval by ELT where appropriate.

5. Legal and Procurement Implications

5.1 Grant recipients will have a standard Grant Agreement in place for monitoring and reporting purposes.

5.2 There is a requirement to extend the current framework of expert consultants to support the new Ambition interventions.

6. Financial Implications

6.1 The AMBITION Programme will be funded by South Ayrshire Council's Business Support funding allocation from the UK Shared Prosperity fund and the grants to business element will not require additional resources.

6.2 Approved UK Shared Prosperity Fund financial profile – Supporting Local Business

Grants to support Businesses	Dec 23 – Mar 24	April 24 – Mar 25	Total
Grants	£250,000	£500,000	£750,000
Expert Help	£60,000	£70,000	£130,000
<i>Sub Total:</i>	<i>£310,000</i>	<i>£570,000</i>	<i>£880,000</i>
Contribution to Employee cost	£50,000	£60,000	£110,000
TOTAL:	£360,000	£630,000	£990,000

7. Human Resources Implications

7.1 The Ambition programme will be managed by advisors within Economic Development.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 The recommendations will provide more robust criteria for access to start-up grant funding, which may negatively impact on the number of individuals engaging with the service under this scheme.

8.1.2 There is a risk that given current energy cost profiles, that demand for Energy Consultations and support will exceed capacity. If this risk materialises, the programme will close for new applications until new resources can be identified.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are that businesses will not be able to access the grant funding from the UK Shared Prosperity Fund.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 1](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn/ Work and economy (Outcome 2).

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Bob Pollock, Portfolio Holder for Economic Development, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Director of Strategic Change and Communities will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Launch New AMBITION Programme and website	20 January 2024	Service Lead – Economy and Regeneration
Performance update report to Service and Performance Panel	19 November 2024	Service Lead – Economy and Regeneration

Background Papers [Current Ambition Programme](#)

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Date: 17 November 2023

**South Ayrshire Council
Equality Impact Assessment
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Business Support – Refreshed Ambition Programme
Lead Officer (Name/Position/Email)	Theo.Leijser@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-

Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low

Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

<p>Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)</p>	<p>NO <input type="checkbox"/></p>
<p>Rationale for decision:</p> <p>This report recommends that Cabinet approve changes to a previously agreed programme. Members' decision on this has no specific equality implications</p>	
<p>Signed : Theo Leijser Service Lead Economy and Regeneration</p> <p>Date: 23 October 2023</p>	