

**South Ayrshire Council**

**Report by Director of Strategic Change and Communities  
to Cabinet  
of 12 March 2024**

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**Subject: Business Relief Programme – 2024 Funding Proposals**

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**1. Purpose**

- 1.1 The purpose of this report is to seek approval to direct the balance of funding under the Business Relief programme, approved by Cabinet on 28 November 2023 and approve a range of proposals to deliver a new programme.

**2. Recommendation**

**2.1 It is recommended that the Cabinet:**

- 2.1.1 approves that the remaining balance of £417,000 for the Business Relief Programme is used to support a range of town centre projects as identified within the proposals section of this report at 4.1; and**
- 2.1.2 grants officers the authority to award grants in respect of the Proposals detailed in section 4.1 of this report.**

**3. Background**

- 3.1 The Council had previously received discretionary funding from the Scottish Government to support businesses affected by Covid 19 and any subsequent economic uncertainty. Of the discretionary funding received £750,000 remained unallocated and, on 28 November 2023, Cabinet agreed that the balance of this fund could be used to fund a programme of support of up to £389,000 to mitigate the damage incurred by businesses as a result of the Ayr Station Hotel Fire and a range of other support packages to increase footfall into the town centre. The allocation was split as follows:

- a. £250,000 for a business relief scheme;
- b. £50,000 for events and activities to increase footfall into the town;
- c. £50,000 for targeted and extensive marketing and comms activity to create a compelling campaign to encourage people to visit Ayr; and
- d. £39,000 to offset income from the removal of parking charges from 19 November 2023 until 8 January 2024.

- 3.2 The balance of that funding now sits at £56,000, as detailed in section 6 below.

- 3.3 In addition, Members also agreed that the Director of Strategic Change and Communities could authorise additional spend of the remaining balance of the Covid 19 discretionary fund of £361,000, which was not allocated within the above financial package, for any further additional actions to support businesses and increase footfall.
- 3.4 There was no funding allocated from this budget and therefore the total remaining balance within the overall fund now sits at £417,000.

#### **4. Proposals**

- 4.1 The proposals outlined below are mainly aligned with the Ayr Town Centre Framework which will be considered by Cabinet elsewhere on today's agenda, and reflect priorities identified in this framework. They will collectively support businesses to deliver against core town centre regeneration objectives. It is proposed that the balance of funding of £417,000 outlined in Section 3 above is used to fund the following proposals:

4.1.1 **Proposal 1 - Gateway to Ayr Shop Front Improvement Scheme - £222,000**

It is proposed to provide grant support to eligible business property owners and tenants within the Town Centre LDP2 Retail Core and Conservation Area for enhancements to façade and shop frontages. Priority will be given to projects that will enhance the complete front elevation of the building. Businesses will require to comply with eligibility criteria and ensure compliance with any Conservation Area requirements.

4.1.2 **Proposal 2 - Burns Statue Square – Merlin Cinema - £70,000**

It is proposed to provide grant support of £70,000 to Merlin Cinemas Limited as a contribution towards the cost of external refurbishment of the former Odeon cinema facility. This building has significant prominence to the main gateway to the town and externally is in a state of disrepair. The enhancement of the exterior of the building is consistent with proposals for the redevelopment of Ayr Town Centre. The company will require to enter into an appropriate Grant Funding Agreement with the Council, setting out the conditions of grant, to protect the Council's position.

4.1.3 **Proposal 3 - Newmarket Street Regeneration/ Business Support - £90,000**

It is proposed to provide grant support of £90,000 towards a programme of regeneration and business support activities in Newmarket Street, Ayr, building on the feasibility studies commissioned through the Community Wealth Building programme. The activities will be delivered in collaboration with the recently constituted Newmarket Street Traders group and will focus on street deep clean, branding/signage, urban dressing, and lighting improvements. Businesses will require to comply with eligibility criteria and ensure compliance with any Conservation Area requirements.

4.1.4 **Proposal 4 - Cutty Sark/ Grain Exchange – £35,000**

It is proposed to provide flexible funding to support the delivery of a range of events, activities and exhibitions which would drive a significant increase in footfall and generate income. This work will be co-ordinated through the newly approved post of Events Officer within Destination South Ayrshire. If

any of the funding is used to provide specific grants to support delivery, then anyone applying for a grant will require to comply with relevant eligibility criteria.

- 4.1.5 If the proposals are agreed, work will be progressed by the Assistant Director of Communities and an update on progress against delivery will be reported to Service and Performance Panel by March 2025.

## **5. Legal and Procurement Implications**

- 5.1 With regard to the Proposals, appropriate Grant Funding Agreements will require to be put in place between the recipients and the Council, to protect the Council's position. Legal advice will be provided as appropriate.
- 5.2 Any contracts awarded will require to comply with procurement regulations, including evidence of 3 quotations for the proposed refurbishment works.
- 5.3 Any grants awarded will require to comply with Council financial regulations and standing orders.

## **6. Financial Implications**

- 6.1 Funding for the above proposals would be provided from the remaining balance in the Business Relief Fund as set out in paragraph 4.1 above.
- 6.2 The balance of the Covid 19 Discretionary Fund was £750,000. £389,000 was allocated in the paper agreed by Cabinet in November 2023 and spend against this was as follows:

Ayr Train Station Fire Business Grants	£194,000
Ayr Train Station Promotional Campaign	£50,000
Ayr Train Station Events Programme	£50,000
Ayr Train Station Free Car Parking	£39,000

- 6.3 This left a balance of that fund of £56,000. When added to the balance of the Discretionary Fund of £361,000 (£750,000 - £389,000) leaves a final balance of £417,000

## **7. Human Resources Implications**

- 7.1 Not applicable.

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

- 8.1.1 Projects and programmes identified in this project will be subject to further planning, design, and development processes. Careful consideration will be required to manage expectations and deliver the projects.

8.2/

## 8.2 ***Risk Implications of Rejecting the Recommendations***

8.2.1 The risk associated with rejecting the recommendations is that opportunities to deliver projects are not capitalised upon, supporting early action works linked to the Ayr Town Centre Framework.

## 9. **Equalities**

9.1 There are no equalities issues associated with the proposed projects.

## 10. **Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - The Scottish Government Gateway will be contacted during the development phases, at which point potential environmental impacts can be properly quantified and the requirement for SEA considered.

## 11. **Options Appraisal**

11.1 Community and local stakeholder consultation and engagement has provided feedback on projects and project/programme priorities, and these have been reflected in project selection.

## 12. **Link to Council Plan**

12.1 The matters referred to in this report contribute to Priorities 1, 2 and 3 of the Council Plan: Spaces and Places/ Moving around and the environment (Outcome 1), Live, Work, Learn (Outcome 2) and Civic and Community Pride (Outcome 3).

## 13. **Results of Consultation**

13.1 Extensive consultation has been undertaken supporting the Ayr Town Centre framework.

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.

13.3 Consultation also took place with Councillor Martin Dowey and Councillor Lee Lyons who are supportive of this proposal.

## 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:

Implementation	Due date	Managed by
Progress with the proposals and provide update to Service and Partnerships Performance Panel	March 2025	Assistant Director - Communities

**Background Papers**    **Report to Cabinet of 28 November 2023 - [Business Relief Programme](#)**

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