

Item: 9

Development and Infrastructure Committee: 27 March 2018.

Economic Development Grants – Budget Monitoring Statement and Delegated Approvals.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To present budget monitoring information in respect of Economic Development Grants for the period to 28 February 2018.

2. Recommendations

The Committee is invited to note:

2.1.

That, for financial year 2017 to 2018, the revised approved budget in respect of Economic Development Grants amounts to £579,200.

2.2.

Spending to 28 February 2018, in relation to Economic Development Grants, totalling £276,757, of which £185,601 relates to grant commitments made in previous financial years and £91,156 to current year commitments.

2.3.

Grant approvals made in the period 1 April 2017 to 28 February 2018, totalling £557,903 as detailed in Annex B to this report.

2.4.

That, as at 28 February 2018, the Budget Available for Approval from the Economic Development Grants budget amounted to £21,297.

2.5.

Grants approved under delegated schemes to March 2018, totalling £207,569, as detailed in Annex B to this report.

2.6.

That, as at 6 March 2018, the Economic Development Grants budget was fully committed for financial year 2017 to 2018.

3. Policy Aspects

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not relate specifically to progressing the Council's priorities.

4. Introduction

4.1.

At its meeting held on 24 March 2011, the Development and Regeneration Committee recommended current Council policy in respect of Economic Development schemes of assistance. Policy was subsequently revised and approved by Council on 8 July 2014.

4.2.

On 5 February 2013, the Development and Infrastructure Committee recommended that, following a successful two-year pilot, a New Business Start Up Grant Scheme, offering up to £1,500 of assistance, should be established. The Committee also recommended the establishment of a new Flexible Business Development Grant Scheme, offering assistance of up to 50% of eligible costs, up to a maximum grant of £5,000, in terms of the EC de minimis aid regulation.

4.3.

Powers have been delegated to the Executive Director of Development and Infrastructure to approve applications for financial assistance within the policy guidelines referred to at sections 4.1 and 4.2 above.

5. Budget Monitoring Statement

Annex A to this report summarises the budget available for approval as at 28 February 2018 in respect of Economic Development Grants.

6. Awards Made Under Delegated Powers

Details of the applications approved by the Executive Director of Development and Infrastructure in terms of delegated powers during the period 1 April 2017 to March 2018, totalling £207,569, are listed in Annex B to this report. Applications approved during March 2018, totalling £21,297, are listed in Part 2.

7. Financial Implications

7.1.

The revised budget available for approval for financial year 2017 to 2018 is £579,200 including the capacity to over-commit by 20%, the calculation for which is shown in the table below.

	£.	£.
Approved budget as per Revenue Estimates.		968,700.
Less Community Development Fund annualised budget.		-333,000.
Baseline Development Grants Budget.		635,700.
Less Orkney Marketing.	90,000.	
Less Strategies and Studies and Project Initiation.	63,000.	
		-153,000.
Minimum Budget Available for Approval.		482,700.
Policy to Over-commit.	20%.	96,500.
Revised Budget Available for Approval.		579,200.

7.2.

It should be noted that the Strategies and Studies and Project Initiation budget for 2017 to 2018 was originally approved at a level up to £80,000. At this late stage in the financial year, that budget allocation was not required for such projects and in line with policy, £17,000 has been reinstated as available for Economic Development Grants.

7.3.

The practice of over-committing the approved budget by 20%, as referred to at section 7.1 above, is due to be reviewed in 2018. The review will consider an analysis of the actual levels of grant support taken up by the applicants, and compare this against the original awards of grant assistance offered by the Council to establish a trend.

8. Legal Aspects

8.1.

Effective budget monitoring helps the Council meet its statutory obligation to secure best value.

8.2.

Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Annex B to this report. Annex B contains exempt information as defined in paragraph 4 of Part 1 of Schedule 7A of the Act.

9. Contact Officers

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10. Annexes

Annex A: Budget Available for Approval as at 28 February 2018.

Annex B: Approvals for Year to March 2018, including applications approved under delegated powers.