

Item: 14

Development and Infrastructure Committee: 5 February 2019.

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 31 December 2018.

2. Recommendations

The Committee is invited to note:

2.1.

That, for financial year 2018 to 2019, the approved budget in respect of Economic Development Grants amounts to £591,700.

2.2.

Spending to 31 December 2018, in relation to Economic Development Grants, totalling £207,647, of which £158,652 relates to grant commitments made in previous financial years and £48,995 to current year commitments.

2.3.

That, as at 31 December 2018, the Budget Available for Approval from the Economic Development Grants budget amounted to £332,121, as detailed in Annex A to this report.

2.4.

Grant and non-grant approvals made in the period 1 April to 31 December 2018, totalling £259,579, including grants approved under delegated schemes for the same period, totalling £121,079, as detailed in Annex B to this report.

3. Introduction

3.1.

Current Council policy in respect of Economic Development schemes of assistance was approved on 8 July 2014.

3.2.

In March 2013, following a successful two-year pilot, the Council established the following schemes:

- New Business Start Up Grant Scheme, offering up to £1,500 of assistance.
- 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.

3.3.

Approval of applications for financial assistance within the policy guidelines referred to above is delegated to the Executive Director of Development and Infrastructure.

4. Budget Monitoring Statement

4.1.

The budget available for approval for financial year 2018 to 2019 is £591,700, the calculation for which is shown in the table below.

	£.	£.
Approved budget as per Revenue Estimates.		949,700.
Less Community Development Fund annualised budget.		-334,000.
Baseline Development Grants Budget.		615,700.
Less Orkney Marketing.	72,600.	
Less Strategies and Studies and Project Initiation.	50,000.	
		-122,600.
Minimum Budget Available for Approval.		493,100.
Policy to Over-commit.	20%.	98,600.
Initial Budget Available for Approval.		591,700.

4.2.

It should be noted that the Strategies and Studies and Project Initiation budget was approved at a level 'up to' £50,000. In the event that this budget allocation is not required, it will be possible to reinstate the budget available for Economic Development Grants.

4.3.

Annex A to this report summarises the budget available for approval as at 31 December 2018 in respect of Economic Development Grants.

5. 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 to 31 December 2018, totalling £121,079, are listed in Annex B to this report.

6. Corporate Governance

This report relates to the Council's governance and financial procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

The financial implications are detailed throughout the report.

8. Legal Aspects

8.1.

Budget monitoring procedures help 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 31 December 2018.

Annex B: Approvals for Year to 31 December 2018, including applications approved under delegated powers.

Budget available for approval as at 31 December 2018

Budget Available for Approval.	£.	£.
Annual Budget		591,700.
Less spending: Previous year commitments (note 1).	158,652.	
Less spending: Current year commitments (note 2).	48,995.	
Ledger totals as at 31 December 2018.		-207,647.
Current year commitments: Grants approved to date (note 3).	259,579.	
Current year commitments: Less current year spending.	-48,995.	
Current year commitments outstanding (note 4).		-210,584.
Economic Development Grant Fund: Previous year commitment.		158,652.
Current budget available for approval.		332,121.

Note on terminology:

1. Spending: Previous year commitments.	Spending made in 2018 / 2019 for grants approved in 2017 / 2018 and earlier. Funded by transfer from Economic Development Grant Fund.
2. Spending: Current year commitments.	Spending made in 2018 / 2019 in relation to grants approved in 2018 / 2019.
3. Grants approved to date.	Total grants approved in 2018 / 2019.
4. Current year commitments outstanding.	Balance still due to be paid on grants approved during 2018 / 2019 transferred to Economic Development Grant Fund.