



Item: 14

Development and Infrastructure Committee: 10 September 2024.

Economic Development Grants and Cost of Living Crisis Business Support Schemes.

Budget Outturn Statement and Delegated Approvals.

Report by Corporate Director for Enterprise and Sustainable Regeneration.

1. Overview

- 1.1. In March 2023, the Council approved the revenue budget for financial year 2023/24. This included an initial Economic Development Grants budget of £291,700, along with the capability to over-commit by 5%, which increased the budget to £306,300.
- 1.2. During financial year 2023/24, new spending commitments of £331,839 were approved which, relative to the Economic Development Grants budget of £306,300, resulted in an overcommitted allocation of the available budget by £25,539, as detailed in Annex A to this report.
- 1.3. In June 2022, the Council approved the establishment of the Crown Estate Economic Development Fund from Crown Estate revenues, to redress the reduction in the annual budget available to fund economic development grants. The budget over-commitment detailed at paragraph 1.2 above is accommodated by a contribution from the Crown Estate Economic Development Fund.
- 1.4. The level of outstanding spending commitments held in the Economic Development Grants Fund, as at 31 March 2024, increased by £91,708 to £839,383.
- 1.5. Grant approvals made in the period 1 April 2023 to 31 March 2024 totalled £331,839, including grants approved under delegated schemes for the same period, totalling £102,669, and are detailed in Annex B to this report.
- 1.6. On 21 February 2023, the Policy and Resources Committee recommended that the following Cost of Living Crisis Business Support Schemes should operate for a

period of two years to 28 February 2025, funded from the unassigned remaining balance of the Coronavirus Response Fund, estimated at £1.3 million, and reported to the Development and Infrastructure Committee in addition to standard reporting of Economic Development Grants budget monitoring:

- Council Business Hardship Support Grant (BHSG).
- Council loan facility.
- Energy resilience and transition support.
- Exceptional requests.

1.7. Approvals made in the period 1 April 2023 to 31 March 2024, totalling £120,000, in respect of Cost of Living Crisis Business Support Schemes, are summarised in Annex C to this report.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
- i. Note that, during financial year 2023/24, new spending commitments of £331,839 were approved which, relative to the revised Economic Development Grants budget of £306,300 including the capability to over-commit by 5%, resulted in an overcommitment against the available budget of £25,539, as detailed in Annex A to this report.
 - ii. Note grant approvals made in the period 1 April 2023 to 31 March 2024 totalling £331,839, including grants approved under delegated schemes for the same period, totalling £102,669, as detailed in Annex B to this report.
 - iii. Note approvals made in the period 1 April 2023 to 31 March 2024, totalling £120,000, in respect of Cost of Living Crisis Business Support Schemes, as summarised in Annex C to this report.

3. Exempt and/or Confidential Information

- 3.1. 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 Annexes B and C to this report. Annexes B and C contain exempt information as defined in paragraph 4 of Part 1 of Schedule 7A of the Act.

For Further Information please contact:

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Implications of Report

1. **Financial:** Financial implications are detailed in the report
2. **Legal:** Budget monitoring procedures help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance:** Approval of applications for financial assistance from Economic Development schemes of assistance which are within policy guidelines is delegated to the Corporate Director for Enterprise and Sustainable Regeneration.
4. **Human Resources:** There are no Human Resources implications in respect of financial reporting.
5. **Equalities:** An Equality Impact Assessment is not required in respect of financial reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of financial reporting.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.
9. **Environmental and Climate Risk:** There are no specific implications arising from this report.
10. **Risk:** There are no specific implications arising from this report.
11. **Procurement:** There are no specific implications arising from this report.
12. **Health and Safety:** There are no specific implications arising from this report.
13. **Property and Assets:** There are no specific implications arising from this report.
14. **Information Technology:** There are no specific implications arising from this report.
15. **Cost of Living:** The report includes details of grant award commitments made during the period 1 April 2023 to 31 March 2024, some of which could contribute to addressing negative impacts of cost of living on Orkney business and wider community interests.

List of Background Papers

None

Annexes

Annex A – Outturn statement for financial year 2023/24.

Annex B – Approvals for year to 31 March 2024, including applications approved under delegated powers.

Annex C - Cost of Living Crisis Business Support Schemes: Funding summary as at 31 March 2024.

Annex A: Out-turn statement 2023 / 2024

	£.	£.
Annual budget available for approval.		306,300.
Less previous year commitments.	(181,200).	
Less current year commitments.	(50,259).	
Ledger totals as at 31 March 2024.		(231,459).
Grants approved to date.	331,839.	
Less current year spending.	(50,259).	
Current year commitments outstanding.		(281,580).
Plus previous year commitment.		181,200.
Budget over-committed.		(25,539)

Economic Development Grant Fund.

	£.
Opening balance.	747,675.
Less previous year commitments.	(181,200).
Less reprovisioned reserves.	(8,672).
Plus current year commitments outstanding.	281,580.
Closing balance.	839,383.
Fund movement.	91,708.

Note on terminology.

Previous year commitments.	Spending made in 2023/24 for grants approved in 2022/23 and earlier, funded by transfer from Economic Development Grants Fund.
Current year commitments.	Spending made in 2023/24 in relation to grants approved in 2023/24.
Grants approved to date.	Total grants approved in 2023/24.
Current year commitments outstanding.	Balance still due to be paid on grants approved during 2023/24, transferred to Economic Development Grants Fund.