

Item: 13

Development and Infrastructure Committee: 12 September 2017.

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 August 2017.

2. Recommendations

The Committee is invited to note:

2.1.

That, for financial year 2017 to 2018, the approved budget in respect of Economic Development Grants amounts to £554,620.

2.2.

Spending to 31 July 2017, in relation to Economic Development Grants, totalling £177,034, of which £138,647 relates to grant commitments made in previous financial years and £38,387 to current year commitments.

2.3.

Grant approvals made in the period 1 April to 31 July 2017, totalling £301,614, as detailed in Part 1 of Annex B to this report.

2.4.

Grants approved under delegated schemes to August 2017, totalling £126,090 as detailed in Part 2 of Annex B to this report.

2.6.

That, as at 31 August 2017, the Budget Available for Approval from the Economic Development Grants budget amounted to £232,716.

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 31 August 2017 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 to 31 August 2017, totalling £126,090, are listed in Annex B to this report.

7. Financial Implications

7.1.

The budget available for approval for financial year 2017 to 2018 is £554,620 including the capacity to over-commit by 20% in line with Council policy, 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. | 93,500. | |
| Less Strategies and Studies and Project Initiation. | 80,000. | |
| | | -173,500. |
| Minimum Budget Available for Approval. | | 462,200. |
| Policy to Over-commit. | 20%. | 92,420. |
| Initial Budget Available for Approval. | | 554,620. |

7.2.

Annex A to this report shows the Economic Development Grants budget available for approval as at 31 August 2017.

7.3.

It should be noted that the Strategies and Studies and Project Initiation budget was approved at a level 'up to' £80,000. In the event that this budget allocation is not required, then it will be possible to reinstate the budget available for Economic Development Grants.

8. Legal Aspects

8.1.

Effective budget monitoring helps the Council meet its 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 paragraphs 4 and 6 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 August 2017.

Annex B: Approvals for Year to 31 August 2017, including applications approved under delegated powers.