



**ORKNEY**  
ISLANDS COUNCIL

**Item: 13**

**Development and Infrastructure Committee: 9 September 2025.**

**Economic Development Grants and Cost of Living Crisis Business Support Schemes – Budget Outturn Statement and Delegated Approvals.**

**Report by Director of Enterprise and Resources.**

---

## **1. Overview**

- 1.1. In March 2024, the Council approved the revenue budget for financial year 2024/25. This included an initial Economic Development Grants budget of £300,400 along with the capability to over-commit by 5%, which increased the budget to £315,400.
- 1.2. During financial year 2024/25, new spending commitments of £315,400 were approved which, relative to the Economic Development Grants budget of £315,400 as detailed in Annex A to this report.
- 1.3. The level of outstanding spending commitments held in the Economic Development Grants Fund, as at 31 March 2025, decreased by £72,554 to £766,829.
- 1.4. Grant approvals made in the period 1 April 2024 to 31 March 2025 totalled £315,400, including grants approved under delegated schemes for the same period, totalling £202,528 and are detailed in Annex B to this report.
- 1.5. 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 and approvals made up to 28 February 2025, totalling £120,000, in respect of Cost of Living Crisis Business Support Schemes, are summarised in Annex C to this report.

- 1.6. Approvals made up to 28 February 2025, totalling £120,000, in respect of Cost of Living Crisis Business Support Schemes, are summarised in Annex C to this report.
- 1.7. The approved operating period for the Cost of Living Crisis Business Support Schemes finished on 28 February 2025 and there were no subsequent requests to access funding support from businesses in crisis.

## 2. Recommendations

- 2.1. It is recommended that members of the Committee:
  - i. Note that, during financial year 2024/25, new spending commitments of £315,400 were approved which, relative to the revised Economic Development Grants budget of £315,400 including the capability to over-commit by 5%, resulted in full budget commitment, as detailed in Annex A to this report.
  - ii. Note grant approvals made in the period 1 April 2024 to 31 March 2025 totalling £315,400, including grants approved under delegated schemes for the same period, totalling £202,528, as detailed in Annex B to this report.
  - iii. Note approvals made in the period up to 28 February 2025, 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 contains exempt information as defined in paragraph 4 of Part 1 of Schedule 7A of the Act.

### For Further Information please contact:

Stuart Allison, Service Manager Enterprise, extension 2514, Email [stuart.allison@orkney.gov.uk](mailto:stuart.allison@orkney.gov.uk)

### Implications of Report

1. **Financial:** Financial implications are detailed in the report and annexes to 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 Director of Enterprise and Resources.

Governance arrangements regarding the determination of applications to the Cost of Living Business Support Schemes were set out in the report to the Policy and Resources Committee on 21 February 2023.

4. **Human Resources** There are no specific implications arising from this report.
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.
  - ☐ Improving Population Health.
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 2024 to 31 March 2025, 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 2024/25.

Annex B – Approvals for year to 31 March 2025, including applications approved under delegated powers.

Annex C - Cost of Living Crisis Business Support Schemes as at 28 February 2025.

## Annex A: Out-turn statement 2024 / 2025

	£.	£.
Annual budget available for approval.		<b>315,400.</b>
Less previous year commitments.	(219,300).	
Less current year commitments.	(128,623).	
Ledger totals as at 31 March 2024.		<b>(347,923).</b>
Grants approved to date.	315,400.	
Less current year spending.	(128,623).	
Current year commitments outstanding.		<b>(186,776).</b>
Plus previous year commitment.		<b>219,300.</b>
Budget.		<b>0.</b>

### Economic Development Grant Fund.

	£.
Opening balance.	<b>839,383.</b>
Less previous year commitments.	<b>(219,300).</b>
Less reprovioned reserves.	<b>(40,030).</b>
Plus current year commitments outstanding.	<b>186,776.</b>
Closing balance.	<b>766,829.</b>
Fund movement.	<b>72,554.</b>

### Note on terminology.

Previous year commitments.	Spending made in 2024/25 for grants approved in 2023/24 and earlier, funded by transfer from Economic Development Grants Fund.
Current year commitments.	Spending made in 2024/25 in relation to grants approved in 2024/25.
Grants approved to date.	Total grants approved in 2024/25.
Current year commitments outstanding.	Balance still due to be paid on grants approved during 2024/25, transferred to Economic Development Grants Fund.