

Aberdeenshire Council

Integrated Impact Assessment

Budget Proposals 24/25 - Planning & Economy Economic Development Reduction in Support for Businesses

Assessment ID	IIA-001988
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1. Overview

This document has been generated from information entered into the Integrated Impact Assessment system.

Reduction in revenue budget for supplies and services. Any reduction in the Economic Development budget will have a direct and negative impact on the ability of the Service to support business, economic growth and investment into Aberdeenshire. Consequently this will adversely impact on the creation of new and the maintenance of existing jobs as well as access to skills, learning and development. Any reduction in the Economic Development budget will have a direct and negative impact on the ability of the Service to support business, economic growth and investment into Aberdeenshire. Consequently this will adversely impact on the creation of new and the maintenance of existing jobs as well as access to skills, learning and development. The reduction in budget will also mean that Economic Development no longer have the financial resources to create the Energy Sector Support Executive position. In order to continue the support and leadership role taken by the Service, external funding opportunities will be explored to mitigate the impact of a reduction in budget for business support.

During screening 4 of 10 questions indicated that detailed assessments were required, the screening questions and their answers are listed in the next section. This led to 3 out of 5 detailed impact assessments being completed. The assessments required are:

- Childrens' Rights and Wellbeing
- Equalities and Fairer Scotland Duty
- Town Centres First

In total there are 0 positive impacts as part of this activity. There are 10 negative impacts, all impacts have been mitigated.

A detailed action plan with 1 points has been provided.

This assessment has been approved by alan.wood@aberdeenshire.gov.uk.

The remainder of this document sets out the details of all completed impact assessments.

2. Screening

Could your activity / proposal / policy cause an impact in one (or more) of the identified town centres?	Yes
Would this activity / proposal / policy have consequences for the health and wellbeing of the population in the affected communities?	No
Does the activity / proposal / policy have the potential to affect greenhouse gas emissions (CO2e) in the Council or community and / or the procurement, use or disposal of physical resources?	No
Does the activity / proposal / policy have the potential to affect the resilience to extreme weather events and/or a changing climate of Aberdeenshire Council or community?	No
Does the activity / proposal / policy have the potential to affect the environment, wildlife or biodiversity?	No
Does the activity / proposal / policy have an impact on people and / or groups with protected characteristics?	No
Is this activity / proposal / policy of strategic importance for the council?	Yes
Does this activity / proposal / policy impact on inequality of outcome?	No
Does this activity / proposal / policy have an impact on children / young people's rights?	Yes
Does this activity / proposal / policy have an impact on children / young people's wellbeing?	Yes

3. Impact Assessments

Children's Rights and Wellbeing	Only Some Negative Impacts Can Be Mitigated
Climate Change and Sustainability	Not Required
Equalities and Fairer Scotland Duty	Only Some Negative Impacts Can Be Mitigated
Health Inequalities	Not Required
Town Centre's First	Only Some Negative Impacts Can Be Mitigated

4. Childrens' Rights and Wellbeing Impact Assessment

4.1. Wellbeing Indicators

Indicator	Positive	Neutral	Negative	Unknown
Safe		Yes		
Healthy		Yes		
Achieving		Yes		
Nurtured		Yes		
Active		Yes		
Respected		Yes		
Responsible		Yes		
Included		Yes		

4.2. Rights Indicators

UNCRC Indicators upheld by this activity / proposal / policy	Article 27 - Adequate standard of living
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4.3. Evidence

Type	Source	It says?	It Means?
Internal Consultation	Staff knowledge and expertise	Reducing grant funding may have an impact on local economies	The evidence means: Local economies may not grow and thrive without business support intervention

4.4. Accounting for the Views of Children and Young People

No formal consultation

4.5. Promoting the Wellbeing of Children and Young People

N/A

4.6. Upholding Children and Young People's Rights

N/A

4.7. Overall Outcome

Only Some Negative Impacts Can Be Mitigated.

Staff advice will offer some support to businesses

The Council has a significant gap to close in order to balance its budget. While the reduction in business support finance will impact businesses, employment and economic growth in Aberdeenshire the staffing budget will be preserved to provide expert knowledge and advice. Furthermore, the Service will explore external funding opportunities to minimise any impact from

a reduction in business support funding.

5. Equalities and Fairer Scotland Duty Impact Assessment

5.1. Protected Groups

Indicator	Positive	Neutral	Negative	Unknown
Age (Younger)		Yes		
Age (Older)		Yes		
Disability		Yes		
Race		Yes		
Religion or Belief		Yes		
Sex		Yes		
Pregnancy and Maternity		Yes		
Sexual Orientation		Yes		
Gender Reassignment		Yes		
Marriage or Civil Partnership		Yes		

5.2. Socio-economic Groups

Indicator	Positive	Neutral	Negative	Unknown
Low income			Yes	
Low wealth			Yes	
Material deprivation			Yes	
Area deprivation			Yes	
Socioeconomic background			Yes	

5.3. Negative Impacts and Mitigations

Impact Area	Details and Mitigation
Area deprivation	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternatives to be explored through delivery of Place Policy and development of Community Wealth Building Strategy. External funding opportunities to be explored to mitigate a reduction in business support budget.</p> <p>Timescale On-going</p>

Impact Area	Details and Mitigation
<p>Low income</p>	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternatives to be explored through delivery of Place Policy and development of Community Wealth Building Strategy. External funding opportunities to be explored to mitigate a reduction in business support budget.</p> <p>Timescale Ongoing</p>
<p>Low wealth</p>	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternatives to be explored through delivery of Place Policy and development of Community Wealth Building Strategy. External funding opportunities to be explored to mitigate a reduction in business support budget.</p> <p>Timescale On-going</p>
<p>Material deprivation</p>	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternatives to be explored through delivery of Place Policy and development of Community Wealth Building Strategy. External funding opportunities to be explored to mitigate a reduction in business support budget.</p> <p>Timescale On-going</p>

Impact Area	Details and Mitigation
Socioeconomic background	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternatives to be explored through delivery of Place Policy and development of Community Wealth Building Strategy. External funding opportunities to be explored to mitigate a reduction in business support budget.</p> <p>Timescale On-going</p>

5.4. Evidence

Type	Source	It says?	It Means?
Internal Consultation	Service staff knowledge and understanding	The evidence says: Informal consultation on impact	Impact is difficult to quantify given the variance across Aberdeenshire

5.5. Engagement with affected groups

No Engagement

5.6. Ensuring engagement with protected groups

N/A

5.7. Evidence of engagement

N/A

5.8. Overall Outcome

Only Some Negative Impacts Can Be Mitigated.

Alternative methods of support may be available through the development and delivery of Place Policy, community wealth building strategy and greater use of external funding available to Economic Development to delivery Economic Development programmes in Aberdeenshire.

The Council has a significant gap to close in order to balance its budget. While the reduction in business support finance will impact businesses, employment and economic growth in Aberdeenshire the staffing budget will be preserved to provide expert knowledge and advice. By exploring external funding opportunities negative impacts from reduced business support budget can be partially mitigated.

5.9. Improving Relations

Clear communication avenues

Agreed objectives and common understanding

5.10. Opportunities of Equality

It doesn't

6. Town Centre's First Impact Assessment

6.1. Local Factors

Indicator	Positive	Neutral	Negative	Unknown
Town centre assets			Yes	
Footfall			Yes	
Changes to road layouts		Yes		
Parking		Yes		
Infrastructure changes		Yes		
Aesthetics of the town centre			Yes	
Tourism			Yes	
Public safety		Yes		
Town centre business			Yes	
Cultural heritage and identity		Yes		
Social and cultural aspects		Yes		

6.2. Negative Impacts and Mitigations

Impact Area	Details and Mitigation
Aesthetics of the town centre	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems. The consequences of increased vacancy and dereliction in town centres due to businesses failing will have an adverse impact of the appearance, character, vitality and viability of Aberdeenshire town centres.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternative funding sources will be explored.</p> <p>Timescale On-going</p>

Impact Area	Details and Mitigation
Footfall	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems as well as vacancy and dereliction in town centres impacting upon vitality and viability of these centres for retail, services and facilities. This in turn will drive down footfall as there will be no need to frequent Aberdeenshire town centres.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternative funding sources will be explored.</p> <p>Timescale On-going</p>
Town centre assets	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems as well as vacancy and dereliction in town centres impacting upon vitality and viability of these centres for retail, services and facilities.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternative funding sources will be explored.</p> <p>Timescale On-going</p>
Town centre business	<p>A reduction in economic development activity will reduce support to businesses leading to increased chances of existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems as well as vacancy and dereliction in town centres impacting upon vitality and viability of these centres for retail, services and facilities.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternative funding sources will be explored.</p> <p>Timescale On-going</p>

Impact Area	Details and Mitigation
Tourism	<p>A reduction in economic development activity will reduce support to businesses leading to existing businesses closing and start-ups failing. In turn this will lead to rising unemployment and increased poverty. These impacts may be concentrated in pockets leading to a downward spiral of worsening deprivation and social economic problems as well as vacancy and dereliction in town centres impacting upon vitality and viability of these centres for retail, services and facilities. Consequently the visitor experience in these town centres will be diminished reducing the number of visitors and directly impacting on expenditure in Aberdeenshire.</p> <p>Can be mitigated Yes</p> <p>Mitigation Alternative funding sources and support for town centre businesses engaged in the visitor economy to participate in VA Game-Changer programme.</p> <p>Timescale On-going</p>

6.3. Evidence

Type	Source	It says?	It Means?
Other Evidence	Internal knowledge and critical thinking	Options for supporting town centres will be reduced if the business support budget is reduced	The vibrancy and vitality of town centres and town centre businesses as providers of essential services and facilities as well as a source of local employment will diminish.

6.4. Overall Outcome

Only Some Negative Impacts Can Be Mitigated.

Other funding sources may be available.

The Council has a significant gap to close in order to balance its budget. While the reduction in business support finance will impact businesses, employment and economic growth in Aberdeenshire the staffing budget will be preserved to provide expert knowledge and advice.

7. Action Plan

Planned Action	Details
<p>Alternative ways of stimulating local economies and addressing market failure will be explored and delivered. Delivery of Place Policy, development and delivery of a community wealth building strategy and greater use of available external funding to deliver economic development programmes aligned to the Council Plan will help mitigate the impacts of a reduction in business support budget.</p>	<p>Lead Officer Paul Macari</p> <p>Repeating Activity No</p> <p>Planned Start Monday April 01, 2024</p> <p>Planned Finish Monday March 31, 2025</p> <p>Expected Outcome A reduction in Economic Development Service across the whole of Aberdeenshire</p> <p>Resource Implications Less resource available to deliver economic development in Aberdeenshire.</p>