

Proposed 100% cut to Small Business Development Grant Scheme

Wellbeing Impact Assessment Report

This report summarises the likely impact of a proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	339
Brief description:	It is proposed that the current £120k Small Business Development Grant Scheme is removed from the range of services offered by the Council to support local business growth and employment creation
Date Completed:	Version: 0
Completed by:	
Responsible Service:	Planning & Public Protection
Localities affected by the proposal:	Whole County,

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

Does it need more thought?

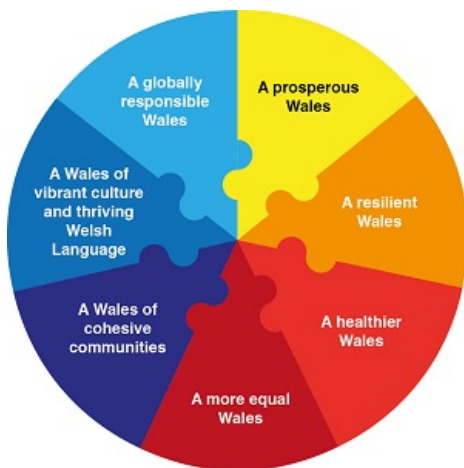


(1 out of 4 stars)

Actual score : 7 / 24.

Summary of impact

Wellbeing Goals



A prosperous Denbighshire	Negative
A resilient Denbighshire	Neutral
A healthier Denbighshire	Negative
A more equal Denbighshire	Negative
A Denbighshire of cohesive communities	Negative
A Denbighshire of vibrant culture and thriving Welsh language	Negative
A globally responsible Denbighshire	Negative

Main conclusions

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Negative
Justification for impact	Grants Approved since 2016: 56 Local businesses supported Grants Paid: £147,264.62 Private Sector Investment levered into local economy: £189,028.44 Jobs Created to date: 31 local jobs Jobs to be created in next 6 months from grants approved but not yet claimed: 8 part time, 1 apprentice Average cost to the council per job created to date is £4,750.45. Average total cost of creating a job through the scheme has been £10,848.16 per job created. This is a significantly lower cost to the public purse than sustaining a local person on benefit. The impact will result in lost future potential to create similar economic / employment impact to that listed above

Positive consequences identified:

lower business growth may mean less carbon produced locally in the manufacture / delivery of goods & services
residents may seek better paid jobs in other counties / North West England
fewer local businesses / reduced economic activity reduces vehicular traffic

Unintended negative consequences identified:

businesses may not be supported to implement more efficient production methods which results in higher than necessary local carbon emissions
fewer businesses start up locally fewer local businesses expand private sector investment is not levered local businesses unable to secure investment stagnate Welsh Government match funds not levered Business confidence is lowered Denbighshire loses its main current competitive advantage as a better place to do business than other counties because it does not offer financial incentives to investors Business Wales choose other counties as first port of call EBD Team receive fewer enquiries from businesses that reduce opportunities to cross promote support from other service areas e.g. Planning, Public Protection Negative response from wider business community
fewer local job opportunities for local residents greater reliance on non-local sources of employment increases risk to families Potential increased benefit claims
reduced investment in developing skills within local businesses local business skills stagnate local businesses do not achieve quality marks that enable them to win orders e.g. ISO9000/1
fewer local jobs require more commuting to find work, increasing congestion
loss of demand for childcare locally as parents travel further afield to find work fewer local jobs requires less local childcare provision

Mitigating actions:

Promote other ways in which the council provides support to business / local employment creation
Replace the scheme with a business loans scheme that recycles the investment Work closely with local business organisations (FSB, WCNWCC) to help them understand the financial pressures faced by the council and the alternatives to cutting business grant support

A resilient Denbighshire

Overall Impact	Neutral
Justification for impact	Positives may balance out negatives

Positive consequences identified:

less locally produced product will result in less local waste
 lower rates of economic activity will involve less consumption locally

Unintended negative consequences identified:

Businesses less likely to invest in higher risk / more efficient processing operations without assistance from grant monies
 Local residents will travel further afield to find work Local businesses will continue to outsource supply of goods and services rather than expand into producing them locally, resulting in greater delivery miles

Mitigating actions:

Promote efficient business operations and links for local businesses to other support organisations that offer advice. Provide more information / case study examples of local businesses that have achieved a positive return on investment from waste / energy reduction initiatives.

A healthier Denbighshire

Overall Impact	Negative
Justification for impact	A number of local businesses have approached the scheme to date with significant business issues that we have been able to help them with - either by referring to more appropriate sources of help and advice or by working with them to develop proposals to grow the business to a point where it is sustainable. The proposal to cut business grant support will in these instances make it harder for local businesses to survive by removing a source of last resort funding.

Positive consequences identified:

Unintended negative consequences identified:

The majority of businesses in the county are micro businesses that have one owner who is responsible for all aspects of the business. Those supported by the Small Business Grants Scheme have already been denied other sources of financial support e.g. bank loans and the council is the funder of last resort. Removing support for businesses at this stage will reduce our opportunity to engage with and help - on a wider range of topics - small business owners under considerable pressure.

Mitigating actions:

Promote sources of mental health support for local business owners Encourage business owners to network, share experiences and develop supportive relationships with a wider range of business support providers

A more equal Denbighshire

Overall Impact	Negative
Justification for impact	Jobs further afield are harder to obtain and financially less viable when travel is required. This is particularly so for low income families. Local employment supported by the Small Business Development Grant Scheme offers accessible local opportunity. When businesses apply to the scheme they are linked up with Employment Support Agencies in order to try and secure the jobs / apprenticeships created for people on low incomes / unemployed - this opportunity will be lost.

Positive consequences identified:

Unintended negative consequences identified:

Opportunity to access local employment as a route out of poverty is reduced.

Mitigating actions:

A Denbighshire of cohesive communities

Overall Impact	Negative
Justification for impact	Businesses facing significant change / competition will not be able to access match funding that supports them to adapt more rapidly or to take advantage of opportunities presented to them that may build their resilience e.g. local businesses have benefitted through the scheme from support to export their products in the face of dwindling local markets, enabling them to be more resilient.

Positive consequences identified:

Unintended negative consequences identified:

Businesses will be less resilient to change

Mitigating actions:

Signpost businesses looking to adapt to change towards other agencies for practical (though non financial) support

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Negative
Justification for impact	Grants are provided to enable Small Businesses to develop their use of Welsh in the business and as a sales and marketing tool e.g. bilingual signage, bilingual staff development, point of sale material, menus, bilingual website and social media operations etc. This offers people the opportunity to shop and work through the medium of Welsh. Because many businesses see the financial returns of investing in Welsh as too low the Business Development Grant Scheme has provided an incentive.

Positive consequences identified:**Unintended negative consequences identified:**

Reduced council influence on opportunities for people to speak Welsh
 Reduced promotion of Welsh in business
 Reduced visibility of the Welsh language in town centres

Mitigating actions:

Reduce the level of the proposed cut from 100% to 90% in order to retain funds for incentivising the use of Welsh in Business

A globally responsible Denbighshire

Overall Impact	Negative
Justification for impact	<p>The Small Business Grants Scheme is widely promoted and attracts a good level of enquiries from local businesses - it acts as an incentive to contact the council. These enquiries are in turn shared with Business Wales who provide a business planning support service that results in better, more viable business plans. Removing a major incentive to engage with the council will reduce business contact and the subsequent level of referrals to business Wales that enable other aspects of business support to be delivered to business in the county. Where Business Wales are able to access finance to support some small business ventures this must be match funded - reducing available match funding limits the extent to which WG money can be drawn down by local businesses.</p>

Positive consequences identified:**Unintended negative consequences identified:**

Reduced effectiveness of Business Wales in Denbighshire
 Reduced Welsh Government Investment in Denbighshire
 A less attractive region in which to do business

Mitigating actions: