

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	10 December 2013
Title:	Hampshire Fare
Reference:	5352
Report From:	Director of Economy, Transport and Environment

Contact name: David Fletcher

Tel: 01962 846125

Email: david.fletcher@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to set out the business case for Hampshire County Council to contract with Hampshire Fare for the delivery of a range of additional activities to make a significant contribution to Hampshire County Council's Economic Development and Rural Economy objectives.

1.2. The cost of the proposed activities is as follows:

- a) Year 1 - £30,000
- b) Year 2 - £20,000
- c) Year 3 - £10,000

1.3. The contract period will run from 1 January 2014 to 31 December 2016.

1.4. In addition, this paper proposes that Hampshire Fare is able to continue to occupy office space made available in the Council's property until the end of the 2014/15 financial year.

1.5. This report sets out:

- a) The success and value of Hampshire Fare to date;
- b) Previous arrangements between Hampshire Fare and the Council;
- c) The range of proposed additional activities to be delivered by Hampshire Fare for Hampshire County Council, and how this will align with our wider Economic Development and Rural Economy objectives;
- d) The financial implications of the proposed activity; and

- e) The nature of the proposed agreement with Hampshire Fare.

2. Background

- 2.1. The Food and Drink Manufacturing Sector in the UK represents a turnover of approximately £76billion and a Gross Value Added of over £20billion. In Hampshire, the Food and Drink Manufacturing Sector employs over 64,000 people and generates more than £1.75billion Gross Value Added into the local economy.
- 2.2. Hampshire Fare is one of the most successful and active food and drink related groups in the UK. Its 250 member companies have a combined turnover in excess of £350 million and employ over 7,000 staff in Hampshire.
- 2.3. Hampshire Fare has two distinct categories of members:
 - a) Producers – whose products contain more than 30% of content from Hampshire sources; and
 - b) Hospitality/Trade – hotels and restaurants and other organisations that supply or use local food and drink products.
- 2.4. Leading local companies that are members include Fullers, Southern Co-Operative, Leckford Estate, Sparsholt College, Ecover and Hildon.
- 2.5. The key objectives of Hampshire Fare are to:
 - a) Support and encourage the development of local producers and hospitality businesses;
 - b) Work with Hampshire County Council to support local business growth including increasing the level of exports; and
 - c) Work with Hampshire County Council and district authorities to deliver tourism promotion and growth in Hampshire.

3. Hampshire Fare Key Successes

- 3.1. Hampshire Fare organises and delivers the annual Hampshire Food Festival with over 75 events throughout July. These events are attended by over 179,000 people and contribute £3.25 million to the local tourism economy. The Hampshire Food Festival is a major event in the South of England.
- 3.2. Tourism South East's Beautiful South Awards recognised this in their annual awards. The Food Festival was voted "Tourism Event of the Year" and won the gold awards in 2010 and 2012 and was highly commended in 2011. It is also one of the finalists for the 2013 award.
- 3.3. Hampshire Fare organises "Meet the Buyer" events throughout the year, where local producers can showcase their products. This has resulted in

Carnival Cruises featuring local produce on their menus and 25 of Hampshire Fare's members having the chance to present to a team of buyers from Waitrose at an event held in Winchester. Other major retail organisations which have participated include Asda, Harrods and Selfridges.

- 3.4. The Princes' Countryside Fund described Hampshire Fare as one of its "flagship projects".

4. Previous Arrangements between Hampshire Fare and Hampshire County Council

- 4.1. Hampshire County Council assisted Hampshire Fare to transition out of the Council and to become a Community Interest Company in 2012. As part of the transition arrangements, the Council agreed to provide £35,000 with a retainer of £5,000 towards a peppercorn rent for one year. In addition, the Council made provision under licence for Hampshire Fare to occupy office space in the Council's premises. This agreement was intended to support Hampshire Fare during the 2012/2013 financial year whilst the company worked to secure more private sector income and sponsorship to become a viable standalone entity.
- 4.2. The Council's funding in 2012/2013 was based on a Service Level Agreement, which stipulated the services that Hampshire Fare would offer to Hampshire based food and drinks businesses and terminated at the end of March 2013. Hampshire Fare produced quarterly performance reports and received proportionate funding quarterly and in arrears.
- 4.3. However, recent economic conditions have proved a challenging backdrop for Hampshire Fare to find (a) alternative funding from the private sector and (b) alternative office accommodation. Hence, this report requests approval for the current provision of office space to be extended until the end of the 2014/15 financial year, to provide a sound basis for the delivery of these activities and an opportunity to identify alternative premises.
- 4.4. Hampshire County Council has long supported Hampshire Fare's role in promoting and supporting Hampshire's food and drinks industry. The Council's support over recent years has enabled Hampshire Fare to develop its services and firmly establish its reputation and brand. This report proposes that the Council builds on and adds value to that earlier investment.

5. Proposed Additional Activities

- 5.1. Should Hampshire County Council engage Hampshire Fare on the basis proposed, the range of additional activities would encompass the following:
- Development of a strategy to ensure that Hampshire and its food and drink manufacturing sector is fully engaged, and contributes to, the emerging UK agricultural technology agenda led by the Department for Business, Innovation and Skills;

- Organise an annual conference to promote the development and growth of the Hampshire food and drink sector;
- Contribute to Hampshire County Council's efforts to develop skills in the food and drink sector, to ensure that new technologies are developed and applied, working with key institutions such as Sparsholt College, Highbury College, University of Winchester and University of Portsmouth;
- Develop robust links between the emerging Local Growth Hubs, which will become the key conduit for business support, and SMEs in the local food and drink sector (this will include access to key Government support agencies such as UK Trade and Investment, Manufacturing Advisory Service, Design Council and Growth Accelerator);
- Develop links between relevant Hampshire Fare members and the new UK centres for agricultural innovation, to capitalise on the exploitation of new technologies and the adoption of best practice across the food and farming supply chain;
- Host at least one London based event every year to promote and develop the hospitality/tourism trade in Hampshire;
- Collaborate closely with the Hampshire County Council Tourism team to grow and develop the potential of the Food Festival to promote domestic tourism into Hampshire;
- Source reasonable amounts of Hampshire Fare products, e.g. food, drink, accommodation, at no cost to Hampshire County Council for competition prizes, gifts and promotional initiatives; and
- Facilitate additional 'Meet the Buyer' events for Hampshire Fare members with major retailers.

6. Finance

6.1. The cost of engaging Hampshire Fare to deliver the proposed activities is as follows:

- a) Year 1 - £30,000
- b) Year 2 - £20,000
- c) Year 3 - £10,000

6.2. The funding would be derived from the Economic Development budget.

6.3. It is proposed that Hampshire Fare would be paid quarterly in arrears, against invoices and clear evidence of delivery of the proposed contracted activity.

- 6.4. In addition to direct funding, it is proposed that the County Council continues to provide accommodation to Hampshire Fare, until the end of the 2014/15 financial year.

7. Proposed Agreement

- 7.1. Under the previous arrangement, Hampshire County Council was included in the governance structure through representation on the Board of Hampshire Fare. If this proposal is approved, this arrangement would continue.
- 7.2. In addition to representation on the Board, the Council would require regular liaison with Hampshire Fare and would also receive quarterly reports on performance against the agreed activities/objectives.
- 7.3. A dedicated 'account manager' for Hampshire Fare would be identified within the Economic Development team, to actively manage the Council's relationship with Hampshire Fare and to ensure satisfactory performance and progress against this contract.

8. Other Key Issues

- 8.1. Hampshire Fare is a key champion of Hampshire's food and drink industry which is predominantly located in rural parts of the county and therefore contributes to the County Council's efforts to support economic activity and employment in rural Hampshire.
- 8.2. The on-going vitality and sustainability of Hampshire Fare is of high priority for the County Council, as the company not only supports tourism but also carries the county's brand and promotes the food and drink sector which is a key element of Hampshire's identity and distinctiveness.
- 8.3. These proposed arrangements provide an opportunity for Hampshire Fare to work with Hampshire County Council to deliver our Economic Development objectives, whilst also making a full transition to a greater degree of financial income from the private sector.

9. Recommendations

- 9.1. That funding be allocated from the Economic Development budget to support the delivery of additional activities by Hampshire Fare, for a contract period of 1 January 2014 to 31 December 2016. The level of funding to be as follows:
- a) Year 1 - £30,000
 - b) Year 2 - £20,000
 - c) Year 3 - £10,000

- 9.2. That authority be delegated to the Director of Economy, Transport & Environment to spend the allocated budget, and to procure the delivery of the activities set out in this report, in consultation with the Executive Member for Economy, Transport & Environment.
- 9.3. That authority be delegated to the Director of Economy, Transport & Environment to finalise the necessary contractual arrangements with the Head of Legal Services.
- 9.4. That the Executive Member for Economy, Transport and Environment recommends to the Executive Member for Policy and Resources that Hampshire County Council continues to provide office accommodation (and related support) to Hampshire Fare, but that this provision is time limited until the end of 2014/15.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Hampshire Fare – Community Interest Company	3944	13 June 2012

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The website contains a summary [assessment of the impacts](#) on enable businesses to thrive in Hampshire
- 1.2 It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

2. Impact on Crime and Disorder:

- 2.1. No direct implications.

3. Climate Change:

- 3.1. How does what is being proposed impact on our carbon footprint/energy consumption?

No direct impact on the Council's carbon footprint or energy consumption. However, Hampshire Fare works directly with producers, processors, manufacturers, distributors and retailers in agriculture, fisheries and other food and drinks industries. Hampshire Fare can help promote sustainable business practices through its network of members and promotional activity to encourage and enable businesses to adopt low carbon and low energy business solutions.

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The promotion of use of local produce in Hampshire hotels and restaurants has a positive impact on the reduction of carbon emissions resulting from long distance transportation of goods.