

## REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 13 MAY 2021

### FOOD AND DRINK ACTIVITY BUDGET

#### 1 Reason for Report/Summary

- 1.1 To review the work undertaken to support the food and drink sector in Aberdeenshire and approve a contribution by Aberdeenshire Council, towards total project costs for Food and Drink Activity undertaken by Opportunity North East (ONE).

#### 2 Recommendations

The Committee is recommended to:

**2.1 Endorse the work undertaken to support the food and drink sector in Aberdeenshire; and**

**2.2 Approve a contribution of up to £37,900 by Aberdeenshire Council, towards total project costs for Food and Drink Activity of £213,850, undertaken by Opportunity North East (ONE).**

#### 3 Purpose and Decision-Making Route

- 3.1 ONE was established in 2015 as a private sector led body, focused on ensuring a sustainable economic future for north-east Scotland. ONE aims to broaden and strengthen the region's economy by investing in and accelerating the delivery of projects of scale and impact through five Sector Boards: 1) ONE Oil, Gas & Energy; 2) ONE Food, Drink & Agriculture (includes fisheries); 3) ONE Life Sciences; 4) Tourism – ONE support is via Visit Aberdeenshire; 5) ONE Digital & Entrepreneurship.
- 3.2 ONE's focus is on investment and action to stimulate economic growth, safeguard jobs and create new employment opportunities over the medium to long term. It provides co-funding and resources to develop and bring forward high-impact projects that support the growth of these key sectors in partnership with the public and private sectors.
- 3.3 Food, Drink, Agriculture and Fisheries is one of the key themes of ONE and is also one of Aberdeenshire Council's key industries which we support. The Head of Economic Development and Protective Services was a member of the ONE Food and Drink and Agricultural Board. It is proposed that the Industry Support Executive (Rural & Maritime) will be her replacement. Work on this sector, which Aberdeenshire Council contributes to, has included research into investment opportunities for Business Growth Programmes to support companies meet their ambitions, a Food and Tourism Project, the North East Scotland Food and Drink Awards and the North East Scotland Food Network.

- 3.4 The Aberdeenshire Council post of Industry Support Executive (Food and Drink) has been seconded to ONE since 2016 and this secondment has been extended until 6 July 2022. This post remains central to the support of the food and drink sector. Aberdeenshire Council remains responsible for the post holder's salary and on costs, with ONE covering business expenses. Scotland Food and Drink has jointly funded a post with ONE to promote the wider national opportunities and benefits of being part of Scotland Food and Drink and to bring more NE companies to national and international markets.
- 3.5 Food and drink is the UK's largest manufacturing sector, and the industry has long been important to the region. There are 22,000 people employed in the industry in north east Scotland and the region accounts for more than 20% of Scotland's food and drink output. The area leads on the production of Scotland's quality primary produce from land and sea and is home to some of the country's most iconic brands.
- 3.6 The industry ambition is to grow north east Scotland's food, drink, agriculture and seafood sector turnover by 5% per annum, double output and exports by 2030, and increase productivity by 25% by 2025. These goals reflect the Scotland Food & Drink Ambition 2030 target to double industry turnover in Scotland. A combination of accelerated business growth, UK and international market development, innovation to harness new technology and digital integration in the primary food supply chains, and ambitious infrastructure projects will achieve the regional goals.
- 3.7 Key developments underway to support the sector include the SeedPod project; once opened in 2022, it will become the focal point to create and deliver the region's leading position in technology innovation and adoption; the Seafood Transformation Project which targets changes in the region's largest processing sector to increase its productivity through advanced manufacturing and processing facilities, leadership and skills investment and access to new national and international markets.

#### 4 Discussion

- 4.1 The proposed expenditure to develop and support the food and drink industry in 2021-22 is as follows:

	<b>2021/22 Aberdeenshire Council Contribution</b>	<b>Total Project Cost</b>
NES Food and Drink Network	7,000	15,800
NES Food and Drink Awards	2,900	69,050
Business Growth Alumni	2,500	5,000
Business Growth 2021	5,000	60,000
Leadership Programme	10,000	30,000
New Starts Accelerator	2,000	4,000

New Product Development/Innovation Programme	8,500	30,000
Total	37,900	213,850

- 4.2 The activity undertaken by ONE in 2020-21 was badly affected by Coronavirus restrictions and as a result the Aberdeenshire Council contribution to food and drink industry support was £18,500, against an approved figure of £47,000. In addition, Aberdeenshire Council continues to meet the salary and on costs for the Industry Support Executive (Food and Drink) currently seconded to ONE. The face-to-face North East Scotland Food and Drink Awards and North East Scotland Food and Drink Network events were cancelled. A number of networking events were delivered virtually, to maintain support and encouragement to the sector. In addition, business development programmes ran albeit on a reduced basis, involving both new and existing businesses. These were also delivered virtually, via a mix of webinars and one-to-one meetings.
- 4.3 The extent of possible activity and support to the sector in 2021-22 remains unclear and this will be dictated by Government guidance. Online support and networking will continue via webinars and one to one contact. However, it is hoped, when possible, that face-to-face support and networking will restart. Reviews of activity are undertaken throughout the year and improvements introduced as appropriate. Other than the Aberdeenshire Council contribution, the total project costs will be met by contributions from ONE, ticket sales and sponsorship for the North East Scotland Food and Drink Network and North East Scotland Food and Drink Awards and contributions from participating companies.
- 4.4 The Aberdeenshire Council contribution will be met from Business & Industry and Regional Economic Strategy budgets.

## 5 Council Priorities, Implications and Risk

- 5.1 This Report helps deliver the Strategic Priority “Economy and Enterprise” within the Pillar “Our Economy”.
- 5.2 The Report helps deliver against the Regional Economic Strategy.
- 5.3 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial	x		
Staffing	x		
Equalities		x	
Fairer Scotland Duty		x	
Town Centre First		x	
Sustainability		x	
Children and Young People’s Rights and Wellbeing		x	

5.4 An Equality Impact Assessment is not required because the recommended actions don't have a differential impact on people with protected characteristics.

5.5 The Aberdeenshire Council post of Industry Support Executive (Food and Drink) has been seconded to ONE since 2016 and this secondment has been extended until 6 July 2022. This post is central to the support of the food and drink sector within Aberdeenshire. Aberdeenshire Council remains responsible for the post holder's salary and on costs, with ONE covering business expenses.

5.6 The following Risks have been identified as relevant to this matter on a Corporate Level:

ACORP001 Budget Pressures

ACORP005 Working with other organisations

ACORP006 Reputation management

The following risks have been identified as relevant to this matter on a Strategic Level:

BSSR001 Balancing the Books

ISSR008 Economic Development

## 6 Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this Report and their comments are incorporated within the Report. They are satisfied that the Report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to consider [and take a decision on] this item in terms of Section F.1.1(b) off the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to resource matters relating to Economic Development.

**Alan Wood**

**Director of Infrastructure Services**

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Date: 14 April 2021