



Environment and Transport Select Committee  
19 September 2012

**Surrey Hills Trademark Licence Agreement**

**Purpose of the report:** Policy Development and Review

To propose that Surrey County Council licences the Surrey Hills Trade Mark to the Surrey Hills Enterprises Community Interest Company.

**Introduction:**

1. The Surrey Hills Area of Outstanding Natural Beauty (AONB) is a nationally designated landscape that has an equivalent landscape status as a National Park. The Surrey Hills stretch across the southern part of the County featuring Surrey's iconic landscapes including the North Downs and the Greensand Hills.
2. Surrey County Council is the host authority for the Surrey Hills AONB Board and as such has legal ownership of the Surrey Hills logo that has been legally protected as a trademark. The logo was derived from a series of landmark Walter Bailey sculptures that mark the boundary of the Surrey Hills. The logo has subsequently been used to promote general awareness of the Surrey Hills, including gateway signs on Surrey highways and at railway stations.

**Surrey Hills Enterprises CIC**

3. As Surrey County Council cannot legally use the logo ("the Mark") for trading purposes, it is proposed that it is licensed to Surrey Hills Enterprises to exploit the equity value of the emerging brand. Surrey Hills Enterprises is a newly formed Community Interest Company based in Bramley. Its purpose is to generate revenue to support the implementation of the AONB Management Plan through trading and marketing activities and has the ability to take on local authority assets for this purpose. It was established with two Directors, Simon Whalley, Chairman of the Birtley House Group Ltd, and County Councillor Michael Sydney, Chairman of the Surrey Hills AONB Board. Rob Fairbanks, the Surrey Hills AONB Director, and Chris Howard, Chairman of the Surrey Hills Society and a Director of Visit Surrey CIC, have subsequently been

recruited as Directors. Other Directors are being recruited to represent financial, legal, land management and farming interests.

4. The asset-lock is a fundamental feature of the Community Interest Company to provide a legal 'lock' on the assets of the CIC (including any profits or surpluses) to ensure these are used for the community benefit. The lock prevents these assets being transferred to directors or shareholders though fees and (within stated limits) dividends may be paid. Assets, like the licence to use, and sub-licence, the Surrey Hills brand and logo, must be retained for use within the CIC or if transferred out it must be:
  - Sold at full consideration so the CIC retains the value of the assets transferred
  - Made to another asset-locked body, which is specified in the CIC articles of association
  - Made to another asset-locked body with the consent of the regulator
  - Otherwise made for the benefit of the community

### **The Business Plan**

5. An element of the business plan is the recruitment of corporate members and licensees for businesses wishing to use the Brand as a marketing tool in the Surrey Hills area (Appendix 2). This is an extensive territory that covers the vast majority of rural Surrey that was agreed with Trading Standards to represent an area in and around the Surrey Hills AONB. The use of the Mark will be available to a wide range of businesses but the principle sectors wanting association with the brand will be food and drink, leisure and tourism, and arts & craft businesses. As well as the use of the Mark, businesses will be supported through collaborative marketing and networking activity, including a 'Love Local' business directory.
6. For corporate membership a range of annual fees is proposed depending on the benefits package required and the size of the business. These fee levels reflect the amount of work required to service each package of benefits as the CIC needs to generate funds and has insufficient resources to subsidise this process. The following are the rates currently proposed but these will be subject to alteration following some further market research: Licences for use of the brand and logo will also be issued to businesses seeking specific product marketing association with the image of the Surrey Hills. Rates will vary according to the product value and projected sales volumes by negotiation. An initial estimate is that the membership and licensing activity will generate an income in the region of £40,000 in 2013/14 and £60,000 by 2014/15.

Table of rates

Size of company	Employees	Membership		
		Associate	Standard	Premier
Small	<100	75	150	250
Medium	100-499	100	250	500
Large	>500	250	500	1000

<u>Number of members</u>		Total average memberships		
		2012/13	2013/14	2014/15
Small	Associate	10	20	40
	Standard	20	50	75
	Premier	10	30	35
Medium	Associate	10	20	30
	Standard	10	50	25
	Premier	5	20	15
Capital Grant	Associate	10	10	10
	Standard	3	10	15
	Premier	2	10	15

- It is proposed that the Cabinet Member for Transport and the Environment signs the agreement on behalf of Surrey County Council. The draft Trademark License Agreement (Appendix 1) sets out the scope and terms of the agreement.

<b>Conclusions:</b>
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- The use of the Surrey Hills Trademark by Surrey Hills Enterprises CIC is an exciting and innovative opportunity for Surrey County Council to support the collaborative marketing of goods and services from rural Surrey, and to generate revenue that will be used to invest in the Surrey countryside.

**Financial and value for money implications**

- There are no costs to Surrey County Council in entering into this agreement. It presents an opportunity to support rural businesses and generate revenue to support the implementation of the Surrey Hills AONB Management Plan.

**Equalities Implications**

- All business within the Surrey Hills territory will have the opportunity to use the Mark if they fulfil the environmental and sustainability criteria.

**Risk Management Implications**

- The purpose of the Trademark Licence Agreement is to mitigate the risks to Surrey County Council through the legal agreement

**Implications for the Council's Priorities or Community Strategy**

11. This initiative is an opportunity to work in partnership to ensure that Surrey's natural environment and landscapes will be more diverse, better protected, and managed sustainably.

**Recommendations:**

The Committee is asked to:

Recommend that the Cabinet Member for Environment and Transport signs the Trademark Licence Agreement with Surrey Hills Enterprises CIC.

**Next steps:**

To licence Surrey Hills Enterprises CIC to use the Surrey Hills Mark for the purposes set out in the agreement

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**Sources/background papers:** Surrey Hills AONB Management Plan 2009 - 2014