

**MINUTE OF NESFLAG PROJECT ASSESSMENT COMMITTEE (PAC)  
WEDNESDAY, 24 AUGUST 2016 AT 2.00 PM  
CRAIGEWAN ROOM, BUCHAN HOUSE, PETERHEAD**

**Present**

Jamie Bell	Scottish Enterprise (public)
Shelly Hague	Angus Council (public)
Robin Maddock	Banffshire Partnership (private)
Stephen Murray	Royal National Mission to Deep Sea Fishing (private)

**Officers in Attendance**

Jamie Wilkinson	European Programmes Co-ordinator
Anne MacLennan	European Programmes Claims Officer

**Apologies**

Darren Broadley	Peter & J Johnstone (private)
David John McRobbie	Don Fishing Company (private)
Andrew Newton	Kincardineshire Development Partnership (private)

**1. Welcome & Apologies**

1.1 Jamie Wilkinson welcomed those present.

**2. Apologies**

2.1 Apologies were noted as above.

**3. Declarations of Interest**

3.1 PAC members were reminded that a Declaration of Interest is recorded where any committee member has a close personal or financial interest in a project. There were no declarations of interest declared for the two project applications up for discussion.

**4. Election of PAC Chair**

4.1 PAC agreed that, due there only being four members present at the meeting, it would be difficult to elect a PAC Chairperson. It was agreed that the election of a PAC Chair will be agreed at the next FLAG meeting.

4.2 Robin Maddock was happy to take up the position of interim Chairperson for this meeting.

**4.3 Actions**

- Item 4, Election of PAC Chair to be deferred to the FLAG meeting (21/09/16).

## **5. Role of PAC and Procedures**

5.1 As there were only four members in attendance (two private, two public) the meeting was not quorate. As the PAC is an advisory committee, making recommendation only to the FLAG, it was agreed that the meeting could proceed. However, recommendations made will be circulated to all PAC members, along with completed scoring sheets, for approval by written procedure before any requests for additional information are issued to applicants.

Difficulties with reaching quorum were discussed. The Co-ordinator will issue a further call to FLAG members to consider PAC membership. Another two PAC members would bring the total to nine which would hopefully mean that at least a minimum of five members could be present, ensuring quorum is met at future PAC meetings.

5.2 In the light of there being only four PAC members present, it was agreed that item 5, PAC Procedures, should be deferred for discussion at the next FLAG meeting. The Co-ordinator will prepare a draft procedures document outlining the role of PAC members for consideration at the next FLAG meeting.

### **5.3 Actions**

- Co-ordinator to issue an e-mail inviting further applications from FLAG members to join the PAC Committee.
- Item 5, Role of PAC and Procedures to be deferred to the next FLAG meeting (21/09/16).
- Co-ordinator to draft a PAC procedures document in advance of the next PAC meeting.

## **6. Applications**

### **5.1 SCO1364 Buchanhaven Boat Shed**

The applicant, Buchanhaven Harbour, has run the small harbour for a number of years. Approximately 16 berth holders currently use the harbour for launching small craft. The quayside area is used by boatholders for maintenance but undercover space is now required. The organisation has bought the site of a former domestic garage close to the quayside and plans have been drawn up for a reasonable sized shed to be erected. The shed will house classroom space for teaching traditional skills such as boat repairs and creel making, as well as a having an available meeting space. Planning permission has been secured and building warrant is expected to be approved shortly.

The applicant is contributing around 10% of the project costs from their own capital. Match funding from Aberdeenshire Council Area Committee has been confirmed. Following a successful pitch made by the committee to the general public, the top grant available from Your Voice/Your Choice was also secured. The outcome of an application to Awards for All is as yet unknown. Outcome of this is expected before the date of the FLAG meeting. If the Awards for All application is unsuccessful, there is a possibility of the organisation increasing their own contribution from funds which are currently earmarked for other things.

Robin Maddock raised some questions relating to the organisation's constitution. As it currently stands, the constitution is not very robust and the structure does not protect against committee members being held personally liable. The Co-ordinator confirmed that work is ongoing with regard to updating the constitution and the possibility of registering as a SCIO is also being investigated. PAC agreed that being registered as a charity would also allow the organisation to access more potential funders in the future.

Traditional skills are being lost and Shelly Hague suggested the project application form does not do justice to what the project is proposing in terms of opportunities for teaching traditional skills. PAC would welcome further information about this as well as more evidence of community demand and need. For example, any research carried out, public meetings held or letters of support received.

The Co-ordinator confirmed that the business case is to be updated in advance of the FLAG meeting.

Robin Maddock highlighted that no cashflow was submitted. PAC considered it to be important for the applicant to provide a 3-5 year cashflow for the organisation as well as a separate project cashflow. These will provide evidence that the applicant has sufficient funds to finance cash payments for the project. The main contractor is happy to accept stage payments but PAC would welcome further confirmation that the organisation's cashflow can cope with these interim payments.

The applicant mentions a small kitchen in the application but no kitchen area is identified in the plans. The Co-ordinator confirmed that a very small kitchen, which will comprise of a sink unit, cupboard and worktop, will slot into the workshop area.

PAC expressed some concerns about the organisation's capacity to deliver the project with only six committee members. The committee is representative of 16 berth holders plus the wider community of Buchanhaven itself so there is additional volunteer help available.

The PAC agreed that some external support may be necessary. Liz Scott from Buchan Development Partnership has already been on hand to offer assistance. The Co-ordinator has confidence in the group's ability based on their track record, for example organising the very successful annual gala.

The Co-ordinator accompanied the group on a visit to the Portsoy Boatshed. Although this project is on a much smaller scale to Portsoy, the visit was worthwhile and the applicants picked up some valuable new ideas.

PAC would welcome further information about how the community facility will be operated with specific regard to the facility being available for wider community use. It was agreed that it will be essential to develop some form of booking system. There will be a need for volunteers to open up, clean and check that the facility has been left in a suitable state for the next users. It is important that the building does not become purely a storage shed for a handful of committee members, and the Co-ordinator should consider this at future monitoring visits.

Steve Murray considered the proposal to complement the regeneration of the area by bringing a derelict site back into use.

For future reference, the Co-ordinator reminded the PAC that there are four options available when making recommendation to the FLAG:

1. Recommend for approval with no further action necessary.
2. Recommend for approval subject to clarification of specific points.
3. Recommend for refusal.
4. Defer the application to the following application round.

PAC was of a mind to recommend for approval with the applicant being asked to provide further detail in advance of the FLAG meeting on the following:

1. The applicant should provide an update on the progress of their new constitution and plans to incorporate as a SCIO.
2. Further evidence of community demand should be sought, for example letters of support, surveys, further research or evidence of public meetings held.
3. The business case should be finalised prior to the FLAG meeting.
4. Project cash flow should be prepared to demonstrate how the applicant will manage staged payments over the course of the project build.
5. An operational cash flow should be prepared to demonstrate how the building will be financially sustainable.
6. The applicant should provide further details of external support available to them in order to ensure the project is successfully delivered.
7. A statement should be submitted by the applicant outlining how the facility will be operated to ensure that it will be managed as a community facility open to use by the wider public.

**PAC RECOMMENDS THAT THIS APPLICATION IS APPROVED SUBJECT TO THE ABOVE POINTS BEING ADDRESSED BY THE APPLICANT**

### **Scoring Summary for SCO1364 Buchanhaven Boat Shed**

Scoring sheets were agreed by consensus at the meeting and are summarised below:

<b>Criteria</b>	<b>Score</b>	<b>Comments</b>
<b>Strategic Fit</b>	<b>3</b>	<p>Clear links to priorities 'place' and 'better opportunities'.</p> <p>Classroom space and opportunity to engage young people is a positive link within this application.</p> <p>Also links to Scottish Government economic theme of inclusive growth relating to skills.</p>
<b>Horizontal Themes</b>	<b>2</b>	<p>There is a definite link to building local capacity through having this shared space.</p> <p>Sustainability of skills development relating to traditional skills.</p>

<b>Need for Grant</b>	<b>1</b>	Currently the applicant has not provided sufficient evidence of demand for the facility and wider community support for the project.
<b>Value for Money</b>	<b>3</b>	<p>Cash flow forecasts required to evidence project sustainability.</p> <p>Applicant has clearly demonstrated that the project will not go ahead in its current form without grant.</p> <p>The group is awaiting a decision for an Awards for All application. Outcome due prior to the NESFLAG meeting.</p>
<b>Capacity to Deliver</b>	<b>2</b>	<p>Cash flow and operational plan required to show that the project is sustainable.</p> <p>Applicant to demonstrate strong community input and good volunteering base.</p> <p>Constitution should be clarified.</p> <p>All elements of the project are realistic and achievable. The group has successfully developed the project to this stage, including purchasing the land.</p> <p>The group has a proven track record of successfully organising a large annual event.</p>

## 5.2 SCO1367 Leisure-Commercial Pontoons at Port Henry Marina

The applicant has applied for £45,000 to purchase and install four new heavy duty pontoons at Port Henry Marina. This amount represents an acceptable intervention rate of 50%.

PAC discussed the need for grant given the applicant organisation's significant net profit. The co-ordinator confirmed that Peterhead Port Authority is a trust port and as such any profit made goes back into developing the port.

There are no costs identified in the business plan for this specific project. PAC would welcome clarification of the presented financial information. The applicant states that this particular standalone project is not commercially viable for the organisation without grant assistance. However, PAC questioned the figures as presented in the cashflow. Confirmation that existing capital reserves are earmarked for other investments and, as such, are not available for this project would be welcomed, thereby confirming that the project is a ring-fenced, standalone investment.

Steve Murray suggested that the proposed location for the pontoons is in fact at the commercial marina rather than at the south marina where the tourism activity takes place. The PAC would welcome clearer focus on the leisure/tourism aspect and further clarification about whether the main beneficiaries of the project will be from the inshore fisheries sector or the tourism sector.

Around fifteen large visiting craft or yachts per annum are currently using the quayside. Extra berths are needed to accommodate these visiting vessels, thereby attracting additional visitors to the town. Turnover is based on fifteen berths being in constant use. Currently, the port can only handle 2 big yachts.

PAC would like the applicant to explore the possibility of one berth being reserved for eco-tourism vessels. It was suggested that if this was added as a specific condition it would go some way towards upholding the tourism aspect of this application.

Currently, evidence of demand is limited although there is a waiting list for berth space. It would also be beneficial if the application could demonstrate stronger links to the community.

PAC would welcome evidence that other sources of funding for this project have been investigated, for example Coastal Communities Fund or the National EMFF programme.

It was identified that state aid could be an issue for this project. If the applicant's de minimis allowance is already used up, then other options, for example block exemption, will have to be considered. The Co-ordinator will investigate this further and will seek advice from Marine Scotland.

If the PAC chooses to defer this project then clear guidance must be given to the applicant on what is required to get the application up to speed for the next round. If this application is deferred to Round 2, then it will be delayed by approximately 3 months.

PAC was of a mind to give the applicant the opportunity to provide further clarification on specific points in advance of the FLAG meeting. Namely:

1. The applicant should clarify its state aid position, and whether it will be able to receive the grant under de minimis. If the applicant does not have remaining de minimis allowance, it may be difficult to award the grant and further discussions will have to take place with Marine Scotland.
2. The applicant should be clearer about the main beneficiaries of the project, i.e. the inshore fisheries sector. The business case should reflect this and focus on encouraging new entrants to the sector and increased provision for inshore fishermen.
3. The applicant should clarify that the project is a ring-fenced, standalone investment which is only viable with grant support. The PAC was concerned that additionality has not been sufficiently demonstrated at present.
4. The applicant should confirm that no other grant funding is available (e.g. Coastal Community Fund, national EMFF programme, etc).
5. The applicant should confirm that existing capital reserves as shown in its

accounts are earmarked for other investments and not available for this project.

**PAC RECOMMENDS THAT THIS APPLICATION IS APPROVED SUBJECT TO THE ABOVE POINTS BEING ADDRESSED BY THE APPLICANT**

**Action**

Co-ordinator to seek advice from Marine Scotland regarding state aid in advance of the FLAG meeting.

**Scoring Summary for SCO1367 Leisure-Commercial Pontoons at Port Henry Marina**

Scoring sheets were agreed by consensus at the meeting and are summarised below:

<b>Criteria</b>	<b>Score</b>	<b>Comments</b>
<b>Strategic Fit</b>	<b>3</b>	Clear links to priorities 'place' and 'business competitiveness' through diversification of the fishing industry, providing additional capacity to tourism facilities and encouraging more visitors to the area.
<b>Horizontal Themes</b>	<b>2</b>	Environment - marginal reduction in fuel consumption through operating efficiency.  Sustainability – increasing capacity  Innovation/further diversification of the fishing industry.
<b>Need for Grant</b>	<b>3</b>	Based on current capacity and waiting list, there is clear demand for this development.
<b>Value for Money</b>	<b>2</b>	Applicant to confirm that the project is only viable with grant.  50% of costs are being sought which is appropriate under EMFF guidelines and, based on forecasts, would provide an economically viable project.  £10k benefit to economy per annum? Applicant to provide background to evidence this research.  Cash flow – some inconsistencies.  State Aid issue to be clarified.
<b>Capacity to Deliver</b>	<b>3</b>	Clear evidence that the applicant is experienced and has sufficient skills and capacity to deliver the project.

## **7. AOCB**

- 7.1 Once the applicants have had the opportunity to respond to questions raised, it was suggested that a PAC conference call is held in order to update the scoring sheets in advance of the FLAG meeting if this is deemed to be necessary.

## **8. Date and Time of Next Meeting**

- 8.1 The next PAC meeting will take place on Wednesday, 23 November 2016.

Minute Taker - Anne MacLennan  
European Programmes Claims Officer  
29/08/16