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**MINUTE OF NESFLAG MEETING
WEDNESDAY, 21 SEPTEMBER 2016 AT 2.00 PM
THE CHAMBER, BUCHAN HOUSE, PETERHEAD**

Present

Linda Hope	Scottish Maritime College (Co-Chair)
Michael Bates	Scottish Seafood Association
Jamie Bell	Scottish Enterprise
Anne Birnie	North East Scotland Fishermen's Organisation/Seafood Scotland
James Bream	Aberdeen & Grampian Chamber of Commerce
Darren Broadley	Peter & J Johnstone Ltd
Bruce Fleming	Angus Council
Derek McDonald	Aberdeenshire Council
David-John McRobbie	Don Fishing Company
Robin Maddock	Banffshire Partnership Ltd
Stephen Murray	Royal National Mission to Deep Sea Fishing
Andrew Newton	Kincardineshire Development Partnership
Jo Robinson	Visit Scotland
Liz Scott	Buchan Development Partnership

Officers in Attendance

Martin Brebner	Team Manager - European Policies & Programmes
Jamie Wilkinson	European Programmes Co-ordinator
Anne MacLennan	European Programmes Claims Officer
Kim Ritchie	Angus Council

Apologies

Jimmy Buchan	Amity Fish Co Limited (Co-Chair)
John Cox	Moray Firth Inshore Fisheries Association
Shelley Hague	Angus Council
Nik Scott-Gray	Montrose Port Authority
Ian Watson	Fraserburgh Development Trust
Andy Willox	Federation of Small Businesses
Iain Young	Scottish White Fish Producers Association

1. Welcome & Apologies

1.1 Linda Hope welcomed those present.

1.2 Apologies were noted as above.

2. Declarations of Interest

2.1 Liz Scott Declared an interest in project SCO1364, Buchanhaven Boat Shed as she has worked closely with the applicant on the project application. As there is no financial or personal interest the FLAG will welcome Liz's contribution to the project discussion, but she will not take part in the vote.

3 Minute of Meeting on 22 June 2016 and Update on Action Points

3.1 The minutes of the last meeting were approved as an accurate record. Proposed by Linda Hope, seconded by Robin Maddock.

3.2 Actions from the Last Meeting

Events have overtaken most of the action points from the last meeting.

Anne re-issued Declaration of Interest Forms to those members present who had not yet completed a DOI.

4 Co-ordinators update

4.1 Update on Activities

Approximately four or five applications are anticipated to come forward to the next round. These represent a good geographical spread across the FLAG area.

The Co-ordinator has attended meetings with Marine Scotland and other stakeholders.

The Co-ordinator has attended several other events, including a very interesting conference workshop at Aberdeen University run by the New Economics Foundation.

4.2 EU Referendum

Following a few weeks of uncertainty after the result of the EU referendum, Marine Scotland issued an e-mail confirming that the budget will be available through to the end of March 2018. This was backed up by assurances from Marine Scotland at a meeting which the Co-ordinator attended. This means that if the FLAG is able to spend the full budget by the deadline, then it can be drawn down from Marine Scotland.

Martin Brebner confirmed that the March 2018 deadline is a temporary hold until further information is provided by the UK government. It would be fair to expect this deadline to be extended but this will depend on the outcome following the Autumn Statement in November.

In the meantime, things will carry on as normal and the Co-ordinator will continue to publicise the programme.

4.3 **Expression of Interest Forms Received**

It was agreed at the last meeting that the Co-ordinator would circulate a list of Expression of Interest (EOI) forms which have been received since the last meeting. In addition to the three EOI's on the list, the Co-ordinator is in discussion with another four or five potential projects which have yet to submit an EOI. These include a mixture of community and industry based projects. The Co-ordinator agreed in future to provide a complete list of all EOIs received since the start of the programme.

Derek Macdonald asked if there was any further clarity on Co-operation projects. The Co-ordinator confirmed that 10% of the budget is to be spend on co-operation. No further update has been received from Marine Scotland but the Co-ordinator will follow this up.

4.3.1 **Action**

- Co-ordinator to provide a full list of all EOIs received since the start of the programme.
- Co-ordinator to seek clarification from Marine Scotland about the current situation with regard to co-operation projects.

4.4 **FLAG Membership Update**

A membership application has been received from a business in Angus, Rix Shipping (Scotland) Ltd, based in Montrose. The proposed representative is Mark Cessford. Kim Ritchie informed the FLAG that Mark is a member of the Angus LEADER LAG. The FLAG is keen to see stronger representation from Angus and welcomed the fact that the proposed representative has a background in both the business and community sectors.

The Chair advised the FLAG that following the last meeting Moray Firth Inshore Fishermen's Association (MFIFA) have been invited to join the FLAG. The original proposed representative for MFIFA on the membership application was Edwin Flett. However MFIFA have since changed its nomination and now propose to be represented on the FLAG by John Cox. The Co-ordinator confirmed that it is the organisation's responsibility to select their representative.

The FLAG queried the decision process of MFIFA's membership application. The co-ordinator explained that the original FLAG member was the Moray Firth and North Coast Inshore Fisheries Group (MFNCIFG) but that organisation has now disbanded and been replaced by the North & East Coast Region Inshore Fisheries Group (NECRIFG). NECRIFG is a non-statutory body which aims to improve the management of inshore fisheries across the North and East Coast of Scotland. MFIFA is a separate organisation with the function of representing inshore fishermen on the Moray Firth Coast. Application forms to join the FLAG were received from both organisations in April/May and these were presented at the last FLAG meeting. The Co-ordinator was asked to contact both organisations to ask them to make the decision about which organisation would be the most appropriate to represent the inshore fisheries sector on NESFLAG.

NECRIFG and MFIFA agreed that as MFIFA is locally based (and the NECRIFG Chair is based in East Lothian) MFIFA would be the most appropriate group to sit on the FLAG.

As a result of this decision, the co-ordinator subsequently asked MFIFA to join the FLAG and issued an invitation to this FLAG meeting, although the representative was unable to attend. Despite this, MFIFA's membership application has yet to be formally approved by the FLAG.

The FLAG asked for more information about MFIFA and NECRIFG and questioned the relationship between the two groups. NECRIFG is the successor group to the previous member (MFNCIFG) and was established by Marine Scotland. The FLAG questioned whether NECRIFG might be a more appropriate member of NESFLAG. It is known that MFIFA is a member of NECRIFG, and the FLAG questioned whether its interests could be represented through their membership.

In order to clear up any further confusion, the FLAG asked to see both application forms again and requested further clarification about the relationship between both organisations and information on which would be the most appropriate representative for the inshore fisheries sector.

4.4.1 **NESFLAG unanimously agreed to:**

- Approve the Angus membership application from Rik Shipping Ltd.
- Defer approval of the membership application from MFIFA. FLAG is happy to make the decision by written procedure.

4.4.2 **Action**

Co-ordinator to re-issue both membership application forms to the FLAG and provide further detail on both organisations in the form of an organogram.

4.5 **Communication Plan**

Depending on the outcome of today's project applications, the FLAG felt that now is the right time to do undertake some publicity in the form of press releases, social media, website articles and events. The Co-ordinator would welcome thoughts or suggestions from the FLAG on what this could entail.

The Co-ordinator has recently set up a Twitter account and the NESFLAG website will be updated more frequently with general news.

A community enterprise event is scheduled for the end of the month in conjunction with South Aberdeenshire LEADER. The aim is to encourage community groups to develop income generating projects.

The FLAG agreed that it is important to raise the profile of the programme again as some time has lapsed since the high profile launch event. If there are project approvals today, it will be important to publicise these as widely as possible in order to generate more interest in the programme.

Although it is difficult to pre-empt the outcome of the Autumn Statement, the FLAG wants to ensure that there is a clear message that the fund is still open for business.

One proposal is that an event specifically targeted at businesses would be worthwhile. This could be arranged in conjunction with LEADER.

At some point in the future there will be a review of geographical uptake and whether the uptake matches the priorities identified in the LDS. This will help to identify any gaps. As yet there has been little interest from processors. Derek McDonald suggested that it might be beneficial for the Co-ordinator to attend a future meeting of the Scottish Seafood Association along with Michael Bates.

The Co-ordinator has met with a couple of potential applicants from Angus but as yet, no EOIs have been submitted.

A formal communication plan will be drawn up for the next FLAG meeting.

4.5.1 **Action**

Communication plan to be drawn up in advance of the next meeting.

- 4.6 Members were reminded about an agreement made at an earlier FLAG meeting, about a policy where an organisation would be asked to withdraw their membership of the FLAG if the representative or the substitute had not attended a meeting on three consecutive occasions. If an organisation looks likely to hit this trigger point at the next meeting, the Co-ordinator will alert the representative.

Most representatives should have a substitute who is welcome at FLAG meetings if the main rep is unable to attend.

FLAG agreed that this policy of three missed meetings should be upheld.

5 **PAC Membership, Scoring and Responsibilities – Paper 1**

- 5.1 A PAC membership application has been received from Jimmy Buchan from the Amity Fish Company. FLAG approved Jimmy Buchan as a PAC member.

Due to issues with reaching quorum, it was agreed that nine PAC members would be ideal. With the addition of Jimmy Buchan, this takes the total PAC membership to eight. One more member would be ideal so members are asked to contact the Co-ordinator if they wish to be considered.

- 5.2 It is proposed that some slight amendments are made to the PAC procedures document.

The PAC followed a two stage scoring process at their last meeting. The PAC met to go through the applications in detail, scoring each application as

a group. This was followed up by a conference call once the applicants had the opportunity to respond to PAC queries. The group score was then updated in the light of further information provided by the applicant. It was suggested that rather than scoring projects at the PAC meeting, it might be slightly easier for scoring to be done at the conference call stage. There is scope for fairly drastic changes to be made to the application between the draft submitted to the PAC meeting and the finalised application taking account of applicant responses to PAC queries.

Following discussion, PAC members were happy with the process of scoring twice. For audit purposes, this would also serve as evidence of improvements being made to the application following PAC queries raised.

The paperwork will be changed to show that the first scoring process done at the PAC meeting will be draft with the finalised score for each project being made at the conference call stage.

5.3 NESFLAG agreed to:

- Approve Jimmy Buchan, Amity Fish Company, as a PAC member.
- Follow a two stage scoring process, namely draft scoring at the PAC meeting and finalised scoring at conference call stage.

5.4 Action

Co-ordinator to re-draft the PAC Procedures document to reflect changes to the scoring process.

6 Conflicts of Interest Policy – Paper 2

6.1 Some slight amendments have been made to the Conflicts of Interest Policy following discussion at the last FLAG meeting. It was considered to be too onerous to note every conflict of interest on the Declaration of Interest form. The policy has been amended to reflect that the only conflict of interest to be declared would be where there is a direct financial interest or where the FLAG member or close family member is a director or employee of the company.

6.2 While FLAG members are encouraged to work with applicants to submit an application, this should be declared at the start of the meeting and at the time of the project discussion. If this is the case, a FLAG member will be able to take part in the project discussion, but will be unable to participate in the vote.

6.3 NESFLAG agreed to:

- Approve the changes to the Conflict of Interest Policy.

7 LDS Priorities – Paper 3

7.1 Martin Brebner confirmed that the original priorities were set based on guidance provided in a letter from Marine Scotland. Subsequent guidance included additional themes which were not part of the North or South Local

Development Strategies (LDS). The three current priorities have a more economic focus.

7.2 At the last FLAG meeting, it was agreed that the EMFF actions included in the North and South strategy documents do not fully reflect the projects which the FLAG want to see coming forward to NESFLAG. Therefore, it is proposed that the following additional actions are added to each LDS:

- Enhancing and capitalising on the environmental assets of the fisheries areas.
- Promoting social well-being, cultural heritage and community development in fisheries areas.

If the additional actions are adopted, the change will have to be approved by the North and South LAGs. A formal request to change will then be made to Scottish Government.

Kim Ritchie did not envisage a problem with adding these actions from an Angus perspective.

7.3 **NESFLAG agreed to:**

- Adopt the revised actions. The Co-ordinator will start the process of adding the two additional actions to the LDS.

7.4 **Action**

Formal request to change the LDS to be approved by North and South LAGS before being submitted to Scottish Government.

8 EMFF Application E-System Demonstration

8.1 The Co-ordinator gave a demonstration of the new EMFF e-system. Each FLAG member will receive a user login and password directly from Marine Scotland in due course.

8.2 PAC members have already received some training on the new e-system and the Co-ordinator will run a similar training event for FLAG members.

8.3 Applicants receive one-to-one training from the Co-ordinator at the moment. Group training could be organised if there are large numbers of applicants at a particular funding round.

8.4 **Action**

FLAG training on the new e-system to be arranged for November.

9 Applications – Paper 4

9.1 SCO1364 Buchanhaven Boat Shed

Declaration of Interest – Liz Scott has been working to support the applicant and as a result has declared an interest. Liz will be able to contribute to the discussion but cannot vote.

The applicant, Buchanhaven Harbour, has run the small harbour for a number of years. The committee is made up of a small group of berthholders who also organise a successful and well attended annual gala day. Approximately 16 berth holders currently use the harbour for launching small craft. The quayside area is used by boat holders 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 building will house a workshop area for teaching traditional skills such as boat building, repairs, maintenance and creel making, as well as a having classroom/meeting space and a storage room. Planning permission has been secured. A funding application to Awards for All has been successful, completing a full match funding profile.

The Co-ordinator's summary of the PAC comments and the technical assessment had been circulated. The PAC raised several queries following their meeting and the applicant has provided satisfactory responses to all questions raised.

Liz Scott confirmed that work on updating the constitution has resulted in an application to register as a SCIO being completed and this is now ready to be submitted.

FLAG considered this to be a worthwhile project. The applicant clearly has the capacity to deliver and, with a full funding profile, the project is good to go.

Andrew Newton asked if there was any form of long-term agreement with regard to the lease. Liz Scott confirmed that the applicant has a lease agreement to operate the harbour. The Co-ordinator will ask the applicant to confirm this in advance of formal approval.

The FLAG agreed to support the application and the outcome of the vote is recorded as follows:

Support	Reject	Abstain
Linda Hope (Pub)		Liz Scott - DOI
Michael Bates (Pr)		
Jamie Bell (Pub)		

Anne Birnie (Pr)		
James Bream (Pr)		
Darren Broadley (Pr)		
Bruce Fleming (Pub)		
Derek McDonald (Pub)		
David-John McRobbie (Pr)		
Robin Maddock (Pr)		
Stephen Murray (Pr)		
Andrew Newton (Pr)		
Jo Robinson (Pub)		
8 Private / 5 Public		

Action

Co-ordinator to obtain confirmation about the lease agreement.

PROJECT APPROVED BY FLAG - £28,568.89 OF GRANT AWARDED SUBJECT TO RECEIPT OF CONFIRMATION OF THE LEASE AGREEMENT.

9.2 SCO1367 Leisure Commercial Pontoons at Port Henry Marina

The application is to extend the Port Henry marina by installing a further 40m of pontoon space, providing an additional 15 new berths.

The applicant hopes to attract large visiting leisure craft which will have a positive economic impact on the wider economy of the local area.

Match funding from Peterhead Port Authority has been confirmed.

The PAC raised several queries following their meeting. Specific concerns were raised about additionality with the applicant being asked to confirm that existing capital reserves were not available for this particular project.

Peterhead Port Authority confirmed that the project would not be commercially viable without grant support. Existing reserves are ring fenced for other projects including a large capital project to deepen and expand the harbour.

Although the applicant bank account shows significant reserves, Derek McDonald informed the FLAG that these reserves have been entirely allocated to the upcoming major works to deepen & expand the harbour, costs for which have recently increased significantly. Although Peterhead

Port Authority is well resourced, this increased cost means they will have to make serious efforts to proceed with the main project from their own funds.

The Co-ordinator proposed that two recommended conditions of grant should be added. Firstly, that one berth should be available as a priority to any future enterprise which involves eco-tourism or harbour tours. Secondly, that one berth is reserved exclusively for visiting yachts. By adding these conditions it is hoped broaden out the benefit of the grant.

PAC also queried the state aid position with regard to EMFF funding already received for the larger capital project. The Co-ordinator confirmed that EMFF is approved at source by the European Commission so does not count towards any state aid.

The FLAG agreed to support the application and the outcome of the vote is recorded as follows:

Support	Reject	Abstain
Linda Hope (Pub)		
Michael Bates (Pr)		
Jamie Bell (Pub)		
Anne Birnie (Pr)		
James Bream (Pr)		
Darren Broadley (Pr)		
Bruce Fleming (Pub)		
Derek McDonald (Pub)		
David-John McRobbie (Pr)		
Robin Maddock (Pr)		
Stephen Murray (Pr)		
Andrew Newton (Pr)		
Jo Robinson (Pub)		
Liz Scott (Pr)		
9 Private / 5 Public		

PROJECT APPROVED BY FLAG - £45,189.69 OF GRANT AWARDED.

- 9.3 Although the FLAG has officially approved the above two projects, there are additional sections to be completed on the EMFF e-system before re-submitting to Marine Scotland. Marine Scotland will then double check the

application before rubber stamping the FLAG approvals. Although it will take at least two weeks for Marine Scotland to issue the grant offer, the Co-ordinator will informally notify the applicants that their applications have successfully passed the FLAG stage.

9.4 Action

Co-ordinator to complete the online process for both approved projects and inform the applicants of their success at FLAG stage, stressing that nothing can start or be publicised until the offer of grant is received from Marine Scotland.

10 Monitoring & Evaluation – Paper 5

10.1 A monitoring report on budget spend has to be submitted to Scottish Government on a quarterly basis. The only spend incurred to date has been on administration. There is very little to report at this stage but the paper does serve as a reminder of the available budgets. Future reports will have more detailed information on spend.

11 AOCB

11.1 FLAG members would find it helpful if the full list of current EOIs could be uploaded on the website.

11.2 David John McRobbie suggested that the deadline for the next funding round could be noted on the front page of the website. The Co-ordinator confirmed that the website will be worked on as part of the communication plan over the next couple of months.

11.3 Action

Full list of EOIs to be uploaded on the website.

12 Date of Next NESFLAG Meeting

12.1 The next meeting is scheduled for Wednesday 14 December 2016.

SUMMARY OF ACTION POINTS	RESPONSIBLE
Clarification from Marine Scotland about the current situation with regard to co-operation projects.	Co-ordinator
Membership application forms from both NECRIFG and MFIFA to be re-issued to the FLAG with further detail on both organisations in the form of an organogram.	Co-ordinator
Communication plan to be drawn up in advance of the next meeting.	Co-ordinator
PAC Procedures document to be re-drafted to reflect changes to the scoring process	Co-ordinator
Additional actions to be added to the LDS. Formal request to change the LDS to be approved by North and South LAGs.	Martin Brebner

FLAG training on the new e-system to be arranged for November.	Co-ordinator/ Claims Officer
Confirmation of lease agreement to be obtained from Buchanhaven Harbour.	Co-ordinator
Online process for both approved projects to be completed. Applicants to be informed of their success at FLAG stage, stressing that the project cannot start or be publicised until the offer of grant is received from Marine Scotland.	Co-ordinator
Full list of current EOIs to be uploaded on the website.	Co-ordinator

Minute Taker – Anne MacLennan
European Claims Officer