



N.E. Scotland Fisheries
LocalActionGroup



Part-funded by the European Union's European Maritime and Fisheries Fund

**APPROVED MINUTE OF NESFLAG MEETING
WEDNESDAY, 14 DECEMBER 2016 AT 2.00 PM
THE CHAMBER, BUCHAN HOUSE, PETERHEAD**

Present

| | |
|----------------------|---|
| Michael Bates | Scottish Seafood Association (private) |
| Darren Broadley | Peter & J Johnstone Ltd (private) |
| Jimmy Buchan (Chair) | Amity Fish Co Limited (private) |
| Mark Cessford | Rix Shipping (Scotland) Ltd (private) |
| Gina Ford | Scottish Enterprise (public) |
| Bruce Fleming | Angus Council (public) |
| Roger Goodyear | Banffshire Coast Tourism Partnership (private) |
| Shelley Hague | Angus Council (public) |
| Capt. Tom Hutchison | Montrose Port Authority (public) |
| Derek McDonald | Aberdeenshire Council (public) |
| David-John McRobbie | Aberdeen Fish Producers Organisation (private) |
| Robin Maddock | Banffshire Partnership Ltd (private) |
| Iain Maddox | North East Coast Region Inshore Fisheries Group (privy) |
| Andrew Newton | Kincardineshire Development Partnership (private) |
| Jo Robinson | Visit Scotland (public) |
| Andy Willox | Federation of Small Businesses (private) |

Officers in Attendance

| | |
|-----------------|---|
| Martin Brebner | Team Manager - European Policies & Programmes |
| Jamie Wilkinson | European Programmes Co-ordinator |
| Anne MacLennan | European Programmes Claims Officer |

Apologies

| | |
|----------------|--|
| Anne Birnie | North East Scotland Fishermen's Organisation |
| James Bream | Aberdeen & Grampian Chamber of Commerce |
| Linda Hope | Scottish Maritime College |
| Stephen Murray | Royal National Mission to Deep Sea Fishing |
| Nik Scott-Gray | Montrose Port Authority |
| Ian Watson | Fraserburgh Development Trust |
| Iain Young | Scottish White Fish Producers Association |

1. Welcome & Apologies

1.1 Jimmy Buchan welcomed those present. New members Mark Cessford (Rix

Shipping), Iain Maddox (NECRIFG) and Capt. Tom Hutchison (substitute for Montrose Port Authority) were welcomed to their first FLAG meeting.

1.2 Apologies were noted as above.

1.3 With ten private and six public member organisations in attendance, quorum was reached.

2. Declarations of Interest

2.1 There were no declarations of interest recorded.

3. Minute of Meeting 21 September 2016 and Update on Action Points

3.1 The minutes of the last meeting were approved as an accurate record. Proposed by Robin Maddock and seconded by Andrew Newton

3.2 Actions from the Last Meeting

3.2.1 Marine Scotland do not have a formal procedure for co-operation projects as yet. A lead FLAG will be agreed and the lead will then distribute paperwork to secondary FLAGs. The applicant will make one application but each FLAG will do an individual assessment which could lead to a time delay. This may prove to be a complex procedure if multiple FLAGs are involved.

3.1.2 Membership applications from both NECRIFG and MFIFA had been re-issued to the FLAG along with a paper which was circulated for approval by written procedures. From FLAG responses received, NECRIFG was unanimously chosen as the organisation to join the FLAG and Iain Maddox is representing NECRIFG at today's meeting.

This decision has been appealed by MFIFA and a Freedom of Information request has been received about how the FLAG reached their decision. The team is processing the FOI request.

The appeal will be referred to Marine Scotland. There is a sixty day turn around for the appeal and the FLAG will be informed about the outcome of the appeal.

3.1.3 A communication plan has been drafted and this will be circulated in the new year.

3.1.4 The PAC procedures document has been re-drafted to reflect changes to the scoring process.

3.1.5 The FLAG agreed to change the LDS priorities by adding additional cultural heritage/community environmental actions. These changes have still to be approved by the LEADER LAGs. NALAG and SALAG will consider the proposed changes at a joint meeting to be held tomorrow, 15 December 2016.

- 3.1.6 FLAG user account logins for the EMFF e-system have not as yet been issued by Marine Scotland. FLAG training will be arranged once logins are provided.
- 3.1.7 With regard to obtaining a copy of the lease agreement from Buchanhaven Harbour, the committee has since discovered that there is no lease agreement because they actually own the harbour. The paperwork is currently being sourced.
- 3.1.8 The two projects approved at the last FLAG meeting were processed and submitted to Marine Scotland for consideration within a week of the FLAG meeting. There was a considerable delay at Marine Scotland's end with grant offers finally being issued mid-November. Marine Scotland's economic assessment of the Peterhead Port Authority cash flow caused considerable debate but the application was finally approved.
- 3.1.9 All current EOIs are now on the website and a full list has been circulated for discussion at today's meeting.

4. Co-ordinator's Update

4.1 Update on Activities

The Co-ordinator gave a brief update on activities since the last FLAG meeting.

- The programme has been guaranteed by the UK treasury post Brexit. Any awards made before the date of the UK leaving the EU will be guaranteed. It is estimated that contracts must be signed and returned by March 2019. To allow sufficient time for FLAG approved projects to then be approved by Marine Scotland, the FLAG will aim to have all funding awards made by the end of 2018.
- With regard to the two approved projects, the Co-ordinator has already had a start-up meeting with Buchanhaven Harbour and is due to meet with Peterhead Port Authority next week. Both projects are started and both are small scale capital builds due to complete by spring 2017. Buchanhaven Harbour has submitted a draft claim. It is not yet clear as to the procedure and timescale for claims to be processed and paid by Marine Scotland.
- A successful Community Enterprise promotional event was held in Kincardine & Mearns in conjunction with South Aberdeenshire LEADER.
- The Co-ordinator presented to the Aberdeenshire Council Fisheries Working Group in September and the North East Scotland Fisheries Development Partnership in November.

- As well as meeting with potential applicants who have submitted an official EOI, the Co-ordinator has met with several more interested groups who have not yet submitted a formal EOI. Most of these project ideas are a few months down the line but hopefully some of these project ideas will be formally submitted in the near future.

4.2 **Expression of Interest Forms Received**

The list of EOI's received was circulated. The Co-ordinator reminded FLAG members that they are welcome to get in touch with any of these potential applicants if they feel they could help them in any way with pre-application support.

Unfortunately no applications were received by the deadline for the latest funding round. Three applicants intended to submit but disappointingly, two pulled out at the last minute and the third did not submit by the deadline. The next deadline is mid-April. It is hoped that several of those on the EOI list will come forward then.

4.3 **FLAG Membership Update**

Two new organisations have joined the FLAG: North East Coast Regional Inshore Fisheries group, represented by Iain Maddox and Rix Shipping (Scotland) Ltd, represented by Mark Cessford.

Buchan Development Partnership has resigned from the FLAG due to being unable to commit the required amount of time to the programme. However, Liz Scott is happy to continue to provide assistance to applicants.

4.4 **Communication Plan**

A draft communication plan will be circulated for FLAG comment in January.

A press release to publicise round 1 projects is at final draft stage and will be issued before Christmas.

The website is being updated with details of approved projects. The news section of the website and social media will reflect project progress made.

Shelley Hague informed members about an evening event due to take place on 21 February 2017. The East of Scotland European Consortium (ESEC) is hosting a parliamentary reception at Holyrood. Shelley will add FLAG members to the guest list. Further copies of the AEFf evaluation will be reprinted for the event to showcase what has already been achieved in Aberdeenshire.

Actions:

- Draft communication plan to be circulated for FLAG comment in January 2017.
- Press release to be issued before Christmas.

5. Position of Co-Chair – Paper 1

- 5.1 Linda Hope (Scottish Maritime Academy) has resigned from the position of Co-Chair although she will continue as a FLAG member.

Jimmy Buchan, the other Co-Chair is willing to continue as Chairperson.

FLAG members were invited to nominate themselves or another FLAG member for the position of Co-chair. The FLAG can choose to revert to having a single Chairperson if that is the preferred option.

It was suggested that Jimmy Buchan continue as Chairperson with one of the Vice Chairs (Michael Bates, Seafood Scotland or Andrew Newton, Kincardine Development Partnership) stepping up if Jimmy is unable to attend meetings.

NESFLAG agreed to:

- Approve Jimmy Buchan, Amity Fish Co Ltd, as NESFLAG Chair.
Proposed by Michael Bates and seconded by David John McRobbie.

6. Annual Report – Paper 2

- 6.1 Martin Brebner discussed the annual report which has been prepared as per the monitoring and evaluation frameworks set out in the North and South Aberdeenshire Local Development Strategies. Overall, most of the targets set are being met so far.

As part of the governance arrangements a survey of key stakeholders, LAG members and project applicants was undertaken. A summary of responses has been carried out by Roddy Matheson within Aberdeenshire Council. There were concerns expressed by applicants in terms of the application process being overly complex. Feedback on the EMFF e-system has been more positive than the LEADER LARCS system.

Members of the FLAG and LAGs were generally satisfied by the support provided by staff but, due to issues picked up in terms of applicant support, a new additional temporary position of Project Support Officer is being considered. The post holder will have dedicated time to spend with applicants to work on business plans and financial planning. The post holder will assess the capacity of the applicant to make the project work and will also be involved in project monitoring. The post will be funded from the LEADER budget and will be shared across the North/South LEADER area and the FLAG area. This proposed post will be subject to agreement by both LEADER LAGs.

- 6.2 Andrew Newton made the FLAG aware that Aberdeenshire Voluntary Action has recently created a new Funding Officer post. Donna Speed has been appointed and she is based in Banchory. The Co-ordinator will make contact with the post holder.

- 6.3 Achieving quorum has been difficult at some LEADER LAG meetings although this has not proved to be quite such an issue for NESFLAG. Martin Brebner highlighted some confusion in the member organisation records held for Aberdeen Fish Producer's Association (AFPO) and the Don Fishing Company. According to the minute of meeting, David John McRobbie is representing AFPO but his membership form states the Don Fishing Company. Martin Brebner will discuss the issue with David John McRobbie and, once clarified, records will be amended accordingly.
- 6.4 Some member organisations have been unable to attend meetings. Following a FLAG decision at the June meeting, it was agreed that if a member misses three consecutive meetings, the organisation could potentially be dismissed from the FLAG due to being unable to commit to the process. The FLAG agreed at their last meeting that this policy should be enforced. There has been no representation from Fraserburgh Development Trust or Mackay Boatbuilders for the past three meetings so it was agreed to write to both organisations to make them aware of the 'three missed meetings' policy. It was suggested that if possible video conferencing could be considered to try to make participation easier. The FLAG is committed to broadening the meeting locations to reflect that the programme covers a wider area.
- 6.5 It is hoped that publicity and promotion of the programme can be improved post-referendum to try to encourage further applications. It will be important to promote the fisheries fund in South Aberdeenshire and Angus in particular although the Co-ordinator confirmed that there have been some enquiries from both areas. The addition of cultural elements to the LDS will hopefully enable more applications to come forward from South Aberdeenshire.

NESFLAG noted the Annual Review.

Actions:

- Co-ordinator to meet with Donna Speed, new Funding Officer for Aberdeenshire Voluntary Action.
- Martin Brebner and David John McRobbie to discuss discrepancies identified with AFPO and Don Fishing Company FLAG membership records.
- Letter to be issued to Fraserburgh Development Trust and MacKay Boatbuilders highlighting the lack of member representation at the last three NESFLAG meetings.

7. Local Development Strategy Review – Paper 3

- 7.1 At the last FLAG meeting it was agreed to widen the number of priorities in the LDS following receipt of updated guidance from Marine Scotland. Any proposed changes made to the relevant LDS will have to be approved by the LEADER LAGs and Scottish Government.

Martin Brebner has identified several changes which require to be made to the LDS. For example targets have to be added to each action with a subsequent re-allocation of a provisional budget for each action. Ten percent of the budget is ring fenced for co-operation projects and it is proposed to split the remaining ninety percent over five priorities rather than three.

The LDS will have to be periodically updated as FLAG membership changes, perhaps on a yearly basis.

The other main change is to add the Project Officer post. It is hoped to have someone appointed by April 2017.

If the FLAG is happy with the paper, these proposals will be presented at the joint NALAG/SALAG meeting tomorrow, 15 December 2016. It will then go to Scottish Government for approval.

It is hoped that approval of the proposed changes by Scottish Government will be confirmed within a couple of months.

NESFLAG agreed to:

- Approve Paper 3.

8. Applications

8.1 It was agreed at the last FLAG meeting that the PAC Chair would present the PAC findings to the FLAG. Robin Maddock was elected as the Chair of the PAC but was unable to attend the last PAC meeting. Shelley Hague, who was appointed to the position of Vice Chair, covered in his absence and Shelley will report to the FLAG today.

A note of the conference call was circulated.

8.2 SCO1489 New Corrosion Protection Equipment of the Fishing Industry

The project will offer new technology to the fishing industry for an anti-corrosion protective coating for vessels, equipment and machinery which will last considerably longer than current methods.

Shelley read through the PAC questions and the responses returned from the applicant. The FLAG considered all questions to be answered satisfactorily by the applicant.

There is evidence of demand locally and from Denmark for the product and several testimonials have been provided to support this.

Shelley summarised the PAC scoring. Following the additional information provided by the applicant, the 'value for money' category was increased from a two to a three at the conference call. The project scored highly with a total of 14 out of 15.

FLAG queried whether there could be any potential planning permission issues or requirement for change of use. Questions were also raised about regulatory requirements with regard to pollution. The operator will be required to comply with SEPA regulations.

The Co-ordinator suggested that the FLAG could add a specific condition to ensure that all environmental regulatory requirements are satisfied. However, the FLAG felt that the standard grant conditions would cover this as the applicant will already comply with environmental rules and regulations.

The FLAG considered the project to be innovative although innovation had not been ticked on the application form.

Derek McDonald suggested that economists at Marine Scotland will look quite critically at the viability of this project. The FLAG must be satisfied that sufficient clarification about economic viability has been provided by the applicant.

Iain Maddox offered to liaise with the applicant to discuss possibilities for publicity and promotion of the service to the inshore fisheries fleet.

The FLAG was supportive of the application and agreed to approve the project. The outcome of the vote is recorded as follows:

| Support | Reject | Abstain |
|--------------------------|---------------|----------------|
| Michael Bates (Pr) | | |
| Darren Broadley (Pr) | | |
| Jimmy Buchan (Pr) | | |
| Mark Cessford (Pr) | | |
| Gina Ford (Pub) | | |
| Bruce Fleming (Pub) | | |
| Roger Goodyear (Pr) | | |
| Shelley Hague (Pub) | | |
| Capt Tom Hutchison (Pub) | | |
| Derek McDonald (Pub) | | |
| David-John McRobbie (Pr) | | |
| Robin Maddock (Pr) | | |
| Iain Maddox (Pr) | | |
| Andrew Newton (Pr) | | |

| | | |
|------------------------------|--|--|
| Jo Robinson (Pub) | | |
| Andy Willox (Pr) | | |
| 10 Private / 6 Public | | |

PROJECT APPROVED BY FLAG - £36,346.76 OF GRANT AWARDED WITH NO ADDITIONAL SPECIFIC CONDITIONS.

8.3 SCO1562 Skin Pack Bulk Fish

This project is a new method to bulk vacuum pack fish into sealed containers, allowing for a longer product shelf-life and cleaner, more efficient transportation. PAC considered this to be an exciting project which could streamline and revolutionise the supply chain.

Shelley Hague summarised the points of clarification requested by the PAC and the subsequent responses provided by the applicant. The project scored a total of 12 out of 15 at the PAC meeting. Unfortunately the applicant has yet to respond to seven out of twelve of the queries raised and consequently, the FLAG will be unable to vote on this project at today's meeting. The PAC allowed additional time for the applicant to respond to the queries raised. The FLAG will discuss the project today but will only be able to proceed to vote by written procedures once the outstanding additional information is provided by the applicant.

Andy Willox raised the question of Intellectual Property with regard to this project. The Co-ordinator confirmed that the equipment has not been registered for a patent. Existing equipment is being used in a different way so Intellectual Property would not be relevant here.

Benefits of this project include, extended shelf life, greatly reduced transport costs and massive environmental benefits due to not using polystyrene boxes. These benefits will filter down to the catching sector.

Discussion took place about the need for the large ice machine. It was confirmed that the ice is needed to reduce the ambient temperature of the product during the packing process rather than being purely used for transportation.

Martin Brebner has spoken to Mark Nicol at Marine Scotland with regard to the possibility of Marine Scotland choosing to re-direct this project to the main funding programme. Although Mark is not averse to the project proceeding through the FLAG, he will have to liaise with colleagues before a final decision is reached. The FLAG is happy to continue to consider this innovative project until Marine Scotland confirms which funding scheme is more suited. Although the FLAG will have a strong case to retain the project, it will still have to undergo Marine Scotland's final approval process if approved by the FLAG.

The applicant will have to undertake the same amount work to strengthen the application regardless of whether it is to be considered by the FLAG or by Marine Scotland. It is difficult for the FLAG to make a full assessment with the limited information to hand. No decision can be made without sight of the re-worked business plan. Delays in responding are due to business time pressures. Martin Brebner confirmed that the FLAG timetable has been rescheduled going forward to factor in additional time for applicants to respond to queries.

The FLAG has concerns about there being no proof as yet that this innovative concept actually works. Testing has still to be done by Environmental Health professionals. The vacuum pack process will be tested over a number of weeks to monitor bacteria growth. Testing will be conducted at the applicant's expense before any project approval is granted.

The FLAG agreed to give vocal support to the project on the basis that the applicant provides all the information requested by the PAC, with particular regard to finalising the business plan. In the meantime, the applicant is encouraged to press ahead with the trials at their own expense.

Once the PAC queries are suitably addressed by the applicant, the Co-ordinator will circulate the responses to FLAG members. The FLAG unanimously agreed to make a final decision by written procedures on receipt of the additional information and the results of the product testing.

Action:

- Co-ordinator to circulate applicant responses to FLAG members.
- Application to be considered by written procedures on receipt of additional information and the results of the product testing.

9 AOCB

9.1 There was no other business.

10. Date of Next NESFLAG Meeting

10.1 The next meeting is scheduled for Wednesday 1 March 2017, at the Chamber in Buchan House. The meeting venue may be changed to a location in South Aberdeenshire.

10.2 The Chairman thanked members for their time and wished everyone a Merry Christmas and peaceful New Year.

| SUMMARY OF ACTION POINTS | RESPONSIBLE |
|--|--------------------|
| Draft communication plan to be circulated for FLAG comment in January 2017. | Co-ordinator |
| Press release to be issued before Christmas. | Co-ordinator |
| Meeting to be arranged with Donna Speed, new Funding Officer for Aberdeenshire Voluntary Action. | Co-ordinator |

| | |
|--|----------------|
| Meeting to be arranged to discuss discrepancies identified with AFPO and Don Fishing Company FLAG membership. | Martin Brebner |
| Letter to be issued to Fraserburgh Development Trust and MacKay Boatbuilders highlighting the lack of representation at the last three NESFLAG meetings. | Co-ordinator |
| Applicant responses for project SCO1562 Skin Pack Bulk Fish to be circulated to FLAG members. | Co-ordinator |
| Project SCO1562 Skin Pack Bulk Fish to be considered by written procedures on receipt of additional information and results of the product testing. | FLAG members |

Minute Taker – Anne MacLennan
European Claims Officer
16/12/16

APPROVED