

**MINUTE OF NESFLAG PROJECT ASSESSMENT COMMITTEE (PAC)
WEDNESDAY, 31 MAY 2017 AT 2.00 PM
COUNCIL CHAMBER, BUCHAN HOUSE, PETERHEAD**

Present

Robin Maddock (Chair)	Banffshire Partnership (Private)
Darren Broadley	Peter & J Johnstone (Private)
Shelly Hague	Angus Council (Public)
David John McRobbie	Aberdeen Fish Producers Organisation (Private)
Stephen Murray	Royal National Mission to Deep Sea Fishing (Private)
Andrew Newton	Kincardineshire Development Partnership (Private)
Jamie Bell	Scottish Enterprise (Public)

Guest

Rebecca Ross	Banffshire Partnership (Private)
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Officers in Attendance

Jamie Wilkinson	European Programmes Co-ordinator
June Jaffrey	European Programmes Claims Officer
Martin Brebner	Team Manager - European Policies & Programmes

Apologies

Jimmy Buchan	Amity Fish Co Limited (Private)
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1. Welcome & Apologies

1.1 Robin Maddock welcomed those present. Rebecca Ross was introduced to the group as she will take over Robin's role at the Banffshire Partnership on his retirement later this year.

1.2 Apologies were noted as above.

2. Declarations of Interest

2.1 No declarations of interest were advised.

3. Quorum

3.1 Quorum was reached; five private and two public member organisations were in attendance.

4. Minutes of PAC Meeting 23/11/16 and Note of PAC Conference Call 08/12/16

4.1 The minutes of the meeting on 23/11/16 were approved as an accurate record. Proposed by David John McRobbie and seconded by Andrew Newton.

4.2 The note of the Conference call on 08/12/16 was approved as an accurate record. Proposed by Darren Broadley and seconded by David John McRobbie.

5. Applications

5.1 SCO1807 - New Rosehearty Clubhouse

The Co-ordinator summarised the project which he has been working with for some time and background on the group who are a long-running, capable community boat club group. At the old church premises in Rosehearty the boat club currently hosts lessons, events for a wide range of ages and abilities, along with restoration work and traditional boat building skills.

Shelly Hague, Angus Council joined the meeting at this point.

The Co-ordinator continued by advising the group have identified a lack of meeting space, learning space, changing room and boat maintenance workshop space (this is similar in parts to an earlier Buchanhaven project). This Rosehearty Clubhouse application is more focused on Sailing and organised lessons. The aim by boat club is to convert the redundant caravan park toilet block on the seafront (the asset have already been transferred to the group from Aberdeenshire Council). Plans have been drawn up to convert and redevelop the entire building with the interior converting into three spaces; workshop, changing and community/social spaces. The Co-ordinator advises that the group are making good use of a derelict, redundant resource with project costs being just under £100k which includes professional fees and fit-out costs i.e. kitchen fittings etc. For interest, the lowest quote and preferred contractor was the builder who originally built the toilet block.

The only issue the Co-ordinator wished to raise with the application is that the Match Funding is at 50%. The group are confident they can raise the other funds from various sources and have made applications to a number of private trusts and Aberdeenshire Council along with some of their own contribution. PAC members sought clarity on the intervention rate of 35% which is indicated in the Technical Assessment; this is a mistake on the Technical Assessment. The grant requested is just over £48k. The PAC asked what private/national funding applications have been approved; currently no funding application responses has been received. Aberdeenshire Council Area Initiative funding is to be decided on 20 June 2017, this is usually at a £5k maximum but it was noted that under a "community action plan" to "re-develop an old harbour" the Area Manager advised the group to apply for £10k. The Area Manager being fully supportive of a £10k application.

Concerns were raised on Planning permission was granted last year and that some time has passed with no sign of approved private funders. Latest accounts from the organisation seem to suggest that all their finances will used for this project; the Co-ordinator is aware and is to discuss finances and cash flow with them. The Co-ordinator advised that there has been an update to the Robertson Trust application; which has been refused. The MacRobert Trust and Baxter Foundation are being approached as they have broadened their schemes. The Co-ordinator explained that Marine Scotland expect all public funding to be spent first before any EMFF/NESFALG money is drawn down.

A query arose on the maintenance and upkeep given that money is being used for build and there is finance to make the project sustainable – the PAC would find it useful to have a maintenance plan, clear cash flow and running costs. Concern was raised on how the scope within the three project components can help ongoing finances; annual events appear to raise small sums.

The PAC discussed the benefit of increasing the intervention rate given that the current financial plan places the group under some financial pressure. Martin Brebner advised that Community Benefit projects can apply for 100% - the group could therefore revise their costs/match funding as the FLAG cannot itself raise the intervention rate. There was the suggestion that the PAC could recommend the FLAG increase the grant figure. It was noted that the applicants will have maintenance expenditure for two premises (the existing premises which has over 25 years lease left and the converted toilet block).

The PAC would find it useful if the applicants clarify the position with other funders i.e. rejected, approved etc. and if they have explored income generation streams i.e. room hire.

Overall the PAC were supportive of the project, concerns were raised regarding; lack of committed Match Funding, potential financial strain for the applicants, lease cost information and future maintenance costs.

5.1.1 PAC discussed the scoring criteria.

Scoring Summary for SCO1807 New Rosehearty Clubhouse

Criteria	Score	Comments
Strategic Fit	2	Comes under “Promoting social wellbeing, cultural heritage and community development in fishing areas” priority.
Horizontal Themes	2	Sustainable - is questionable at the moment. Community Capacity - is there. Innovation – regeneration of redundant building. Equalities – membership is open to all.
Need for Grant	2	Letters of support have been received. Unique facility within its location.
Value for Money	-	Not scored as difficult to assess unless a final intervention rate is known. Reconsider scoring this criteria at the conference call.
Capacity to Deliver	2	Capacity to deliver is evident. Cash flow management is of concern.

PAC members were reminded that they will have the opportunity to update scores at the conference call in advance of the FLAG meeting once the applicant has submitted responses to the points raised by the PAC.

The points to be clarified by the applicant were summarised as follows:

- The cash flow details should be improved, with attention being paid to how the applicant will manage the staged payments during the course of the

- project.
- The applicant should provide a statement of the long-term running costs (including maintenance) of the refurbished building over a period of 5 years, and also factor the existing former church building into these calculations.
 - Provide information on the outcomes with the outstanding match funding applications, and the timings of these decisions.
 - The applicant should consider future potential income generation from the building; to make the organisation more financially sustainable.
 - Clarify the high level of financial contribution from the applicant, and whether sufficient reserves will be in place to address future unknown costs.
 - The PAC strongly suggest that the applicant adopts an Equalities policy (considering the nature of the proposed activities in the building).

PAC RECOMMENDS THAT THIS APPLICATION GOES FORWARD FOR CONSIDERATION TO THE FLAG; SUBJECT TO THE ABOVE POINTS BEING RECEIVED BY THE APPLICANT.

5.2 SCO1872 - The Bayview Fishermen's Respite

The Co-ordinator advised that this project was a last minute application, having been referred to NESFLAG by a colleague. The family bought the Bayview Hotel in Macduff, which is structurally sound but internally in need of renovation and improvements to services. It is understood the applicants previously ran a social enterprise in Berwick. The group have made contact with organisations such as the "Apostleship of the Sea" (Tina Harris) who have input into the project.

The applicants plan to live in the top floor of the Bayview, with the ground floor being used as a community space/craft workshop/café/drop-in social space and first floor a respite/hostel accommodation for foreign national fishermen (when their vessels are being worked on). The works are being currently renovated with improvements to wiring, plumbing and plaster boarding etc. undertaken on a piece meal basis (works largely by themselves and with salvaged goods). An application has been submitted to Aberdeenshire Council's Property Investment Fund for 50% of the costs for external work i.e. windows, new roof, insulated render.

The NESFLAG application is for an air-source heating system for the ground and first floors of the building. Research has been undertaken by the applicant on heating methods and this method was chosen for environmental and economic reasons; with estimates and plans having been drawn up. The Co-ordinator has checked that "Change of Use" consent is required.

Clarity was sought by the FLAG as to who explicitly the applicants is i.e. a private individual or a charity organisation and who the beneficiaries are. The Co-ordinator advised that the application is from a private individual and although they are in the process of renovating the building the charity that will run the Fishermen's respite and community space is yet to be established. That charity would then have a lease on the building from the building owners. The sole beneficiary is the applicant. Sustainability beyond the grant period is a concern for the PAC as the Technical Assessment indicates it is not sustainable beyond the grant period. Concerns that a private individual bidding for a heat pump installation and then choosing not to operate the respite facilities, the FLAG will have essentially paid for a heating

system only. It may be that a condition of grant be applied where the applicant commits to use the facilities as a fishermen's respite facility for the monitoring period (generally five years). If the applicants did not abide by the condition of grant the award would be recovered. Clarity on where income would come from for running the respite centre for the monitoring period would also be required. The heating application is the enabling factor for the rest of the project.

Although the PAC recognises that the application for the heating system is eligible, wider project covering more of the costs associated with the respite centre would be a more suitable project for NESFLAG funding. The PAC was broadly supportive of the 'Fishermen's respite' concept.

The points to be clarified by the applicant were summarised as follows:

- The PAC would be more comfortable if the application come from a charity/bona fide organisation (as the end user of the building) rather than the building owner. It was suggested a charity be registered for progressing an application. Consider establishing a charity with a lease for the premises being agreed upon; identifying a specific rent and minimum term of 10 years.
- Consider a wider project covering more of the costs (e.g. kitchen appliances or computer equipment) associated with the respite centre.
- Further consultation/evidence of need from stakeholders (e.g. fishing boats, Producer Organisations, Fishermen's Mission, Seafarers, etc.) required to be evidenced.

5.2.1 PAC discussed the scoring criteria.

Scoring Summary for SCO1872 The Bayview Fishermen's Respite

It was agreed by the PAC that scoring would not be undertaken at this point; but will reviewed at the Conference Call on 20 June 2017 when the applicants' responses have been returned and considered.

THE PAC MADE NO RECOMMENDATION.

6. AOCB

- 6.1 An update on previously approved applications was given by the Co-ordinator;
- Peterhead Port Authority – the project is almost complete. The pontoon is in place and a final claim is being submitted. The Co-ordinator will undertake a Monitoring visit.
 - Buchanhaven – the frame is up with building works ongoing; an internal fit out is imminent. The project is on due for completion in July 2017. The Co-ordinator advised that unfortunately Marine Scotland caused issues by insisting that all public match finding is spent first before any payments are made by Marine Scotland/EMFF.
 - PBP Services – A change notification was submitted as a delay was encountered due to an issue occurring with the electrical element of the project. The applicant has provided assurances, by way of a stringent three year record, that almost 100% of the work undertaken will be on fishing boats. The Co-ordinator advised that Marine Scotland took approximately three months to

approve projects due to State Aid related issues.

- Prime Seafoods – it is understood that the applicants submitted an application to another EMFF programme which they are concentrating on at present; therefore not pursuing their application through NESFLAG currently.

6.2 The Co-ordinator advised that there are currently 10-15 projects in the pipeline with around half of these coming forward in the next round with a figure around £300k. All NESFLAG monies are to be committed by the end of 2018; there may be 4-5 further funding rounds.

7. Date of PAC Conference Call

7.1 The conference call will be held on Tuesday 20th June 2017 at 14.00. A calendar invite with dialling in instructions will be issued.

8. Date and Time of Next FLAG Meeting

8.1 The next FLAG meeting will be held on Wednesday, 28 June 2017. In the Boardroom, Montrose Port Authority, Montrose, DD10 9SL (lunch may be provided).

9. Date and Time of Next PAC Meeting

9.1 The next PAC meeting will be held on Wednesday, 27 September 2017.

9.2 The Chair advised he will be on leave on the next meeting date and will have Duncan Leece or Rebecca Ross (both Banffshire Partnership) Chair the meeting in his absence.

Minute Taker – June Jaffrey
European Programmes Claims Officer
09/06/17