



N.E. Scotland Fisheries  
LocalActionGroup



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

**MINUTE OF NESFLAG MEETING  
WEDNESDAY, 28 JUNE 2017 AT 2.00 PM  
HARBOUR OFFICE, SOUTH QUAY, FERRYDEN, MONTROSE**

**Present**

Jimmy Buchan (Chair)	Amity Fish Co Limited (private)
Robin Maddock	Banffshire Partnership Ltd (private)
Iain Maddox	North East Coast Region Inshore Fisheries Group (priv)
Andrew Newton	Kincardineshire Development Partnership (private)
Nik Scott-Gray	Montrose Port Authority (public)
Darren Broadley	Peter & J Johnstone Ltd (private)
Mark Cessford	Rix Shipping (Scotland) Ltd (private)
Jamie Bell	Scottish Enterprise (public)
Derek McDonald	Aberdeenshire Council (public)
Bruce Fleming	Angus Council (public)
Stephen Murray	Royal National Mission to Deep Sea Fishing (private)
Andy Willox	Federation of Small Businesses (private)
Shelley Hague	Angus Council (public)

**Officers in Attendance**

Jamie Wilkinson	European Programmes Co-ordinator
June Jaffrey	European Programmes Claims Officer

**Apologies**

Roger Goodyear	Banffshire Coast Tourism Partnership (private)
Anne Birnie	North East Scotland Fishermen's Organisation (private)
James Bream	Aberdeen & Grampian Chamber of Commerce (private)
Jo Robinson	Visit Scotland (public)
Linda Hope	Scottish Maritime Academy (public)
David-John McRobbie	Aberdeen Fish Producers Organisation (private)
Anne-Margaret Anderson	Scottish White Fish Producers Association

**1. Welcome & Apologies**

- 1.1 Jimmy Buchan welcomed those present. Thanks were given to Montrose Port Authority for their generous use of their facilities and the lunch provided.
- 1.2 Apologies were noted as above.
- 1.3 With 8 private and 5 public member organisations in attendance, **it was noted that quorum was reached.**

- 1.4 Nik Scott-Gray gave a brief introduction to the Port Authority in Montrose; outlining of the history of the port, current business of the port, the predominant cargo being shipped. The Port Authority are currently expanding with capital works which are being undertaken including two quaysides. Offshore wind and Decommissioning, previous cargos and new cargo markets are being encouraged. Later this year there will be diversification with cruise ships; the first cruise ship booked for 2018.

## **2. Declarations of Interest**

- 2.1 The following declarations of interest were raised;
- Ian Maddox declared an interest for noting as he knows the people involved in the Arbroath Fishermen.
  - Bruce Fleming and Shelley Hague declared an interest in the EOI Arbroath project as it was written by themselves.

## **3. Minute of Meeting 1st March 2017 and update on action points**

- 3.1 The minutes of the meeting 1st March 2017 were approved. Proposed by Robin Maddock and seconded by Andrew Newton.

### **3.2 Update on actions from the Meeting on 1st March 2017**

- 3.2.1 Letter to be issued to Mackay Boatbuilders regarding meeting attendance.
- Mackay Boatbuilders have resigned from NESFLAG as they do not have the time to dedicate to the FLAG.
- 3.2.2 Remove approved projects from the EOI list.
- EOIs which have progressed to application stage have been highlighted.
- 3.2.3 Write to SSA members requesting NESFLAG representation.
- Jimmy Buchan will continue to represent SSA business on the FLAG until such time as SSA wish to nominate a member.
- 3.2.4 Summary report on project case studies to be drafted.
- A cash study has been drafted and will be submitted to the FARNET website.
- 3.2.5 Add a column to database to identify a projects deliverability.
- Clarification was sought on the type of identifier the FLAG wished to see i.e. as a percentage or Red/Amber/Green system – it was decided a Red/Amber/Green system will be used on the likelihood of an EOI coming forward to full application.
- 3.2.6 Invite Mark Nicoll to next meeting.
- Mark was unavailable today but will be invited to the next meeting.

### **3.3 Minute of PAC Meeting 31st May 2017**

The minutes of the PAC meeting on 31st May 2017 were noted.

## 4. Applications

### 4.1 SCO1807 New Rosehearty Clubhouse

Robin (as PAC Chair) advised the group that Rosehearty Clubhouse have applied to redevelop a disused toilet and shower block building at Rosehearty Caravan site into a changing facility for boat users/workshop space/social community space. The grant requested is 50%, the Co-ordinator advised that applications to other funders have been unsuccessful and the grant application to the Banff & Buchan Area Committee budget has been rejected as the Area Committee did not think the project could be completed within Aberdeenshire Council timescales. The group will review their cash flow as a consequence. The Clubhouse group are awaiting the outcomes from other grant funders. It was noted that grant approval from NESFLAG would likely increase success from other grant funding applications.

The PAC were concerned that the committed Match Funding (£11k) may expose the group to unseen financial issues and that their cash flow was a concern but this has now been clarified. The group also lease another building as a workshop which has maintenance costs associated. Growing future income stream for maintenance and on-going costs was highlighted by the PAC who discussed increasing the intervention rate.

Marine Scotland guidance is not clear on this although the Co-ordinator was advised by them there is the facility to increase grants i.e. the grant sum of £48,670 could be agreed and raised in the future if needed. Or NESFLAG could defer the application and ask the applicant to come back with a revised application and revised intervention rate. (This could be agreed through written procedure). The PAC score for "Value For Money" could be called into consideration if the LAG agree to raise the intervention rate.

After discussion the LAG agreed that they wish to raise the intervention rate for this application. A guarantee will be sought from Marine Scotland by the Co-ordinator on a future increase in the intervention rate. The outcome will be circulated by written procedure for a final decision by NESFLAG members on increasing the intervention rate for this project to 75%.

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

<b>Support</b>	<b>Reject</b>	<b>Abstain</b>
Stephen Murray (Pr)		
Darren Broadley (Pr)		
Jimmy Buchan (Pr)		
Mark Cessford (Pr)		

Shelley Hague (Pub)		
Nik Scot-Gray (Pub)		
Derek McDonald (Pub)		
Robin Maddock (Pr)		
Iain Maddox (Pr)		
Andrew Newton (Pr)		
Jamie Bell (Pub)		
Andy Willox (Pr)		
<b>8 Private / 4 Public</b>		

4.2

**PROJECT CONDITIONALLY APPROVED BY FLAG - £48,679.07 GRANT AWARDED WITH THE CONDITION THE GROUP CONTINUES TO SEEK ADDITIONAL MATCH FUNDING.**

SCO1872 The Bayview Fishermen's Respite

The project application is for air-source heating system in the old Bayview Hotel in Macduff; which has been bought by a private individual and is currently being renovated. The family are renovating the building to include a fishermen's respite centre, on a small budget using where possible reclaimed or donated materials.

The first floor of the building will be converted into accommodation for foreign fishermen and the ground floor into a community café/shop/recreation area with indoor aviary. The second floor would be for sole use of the family as their living accommodation.

The grant application is for 50% of costs to install an air-source heat pump for the ground and first floors of the building. The application is from an individual who intended to set up a charity to run the respite and charity element on the ground floor. The charities regulator OSCR has yet to formalise a decision although this is likely to be a rejection. The applicant has advised they will now run the business as a sole trader; who will be involved in the long term running of the facility.

The PAC would have preferred the application had come from a charity and expressed concerns that NESFLAG were only being asked to fund an air-source heat pump rather than use the opportunity to fund more of the buildings' refurbishment works. It was noted there is a demand for accommodation for foreign seamen but little evidence or support for the application was provided by the applicant i.e. from fishing companies, captains and other organisations. No significant evidence was received from the applicants on their previous social enterprise in Berwick. No Business Plan was presented therefore no information on finances was submitted with

the application. The PAC did not score the project but suggested the project application be deferred. Many of the PAC concerns were not addressed by the applicant.

Although the FLAG was supportive of the purpose behind this application it was agreed to reject the project. The project was rejected on the following grounds;

- Inability to achieve charitable status
- Not sufficiently demonstrated evidence/need of demand
- No clarity on respite centre timescale
- Evidence of financial sustainability
- Little connection for the heat pump to the wider ambition of the applicant
- Inability of PAC to score the application
- Not all PAC queries were resolved by the applicant
- No clear operational plan for the business

The outcome of the vote is recorded as follows:

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	Darren Broadley (Pr)	
	Jimmy Buchan (Pr)	
	Mark Cessford (Pr)	
	Shelley Hague (Pub)	
	Nik Scot-Gray (Pub)	
	Derek McDonald (Pub)	
	Robin Maddock (Pr)	
	Iain Maddox (Pr)	
	Andrew Newton (Pr)	
	Jamie Bell (Pub)	
	Andy Willox (Pr)	
<b>8 Private / 4 Public</b>		

## **PROJECT PROVISIONALLY REJECTED BY FLAG.**

### **5.**

#### **Co-ordinator's Update**

### **5.1**

#### **Update on Activities**

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

- FARNET conference - two day conference in Latvia at the end of March. A good event which outlined projects funded across Europe that are being driven by communities and businesses. Good contacts were made.
- Information session - organised by Kincardine Partnership in Gourdon. Contacts were made with some project applications coming out of that event coming forward in future rounds.
- Project Management course – undertaken by the EU funding team, gaining useful skills in project management.
- Social Investment Scotland event in Laurencekirk – participated in workshops.
- Aberdeenshire and Angus Council – meetings with Harbour Service regarding potential projects in Macduff and Arbroath harbours. Discussions have been had with Adam Groat of Marine Scotland to take forward the relevant elements.
- Croatian visiting delegates - gave a presentation on NESFLAG to a group who were looking at various economic development elements in Scotland.
- Inshore Fisheries Conference – had a stand for networking session and interesting workshops were attended on local marketing and adding value to products.
- ONE Food and Drink event – represented NESFLAG.
- Estonian guests – visited Scotland in May. A day's tour of north Aberdeenshire consisted of Lunar premises, Peterhead harbour with the pelagic trawler Kings Cross, Port Erroll harbour speaking to local inshore fishermen, stop at the Bullers O Buchan, Buchan house for lunch and welcome speech from Jimmy Buchan, Arbuthnot Museum, the harbour to see a dredger in action and ending with a visit to the fish market where fish were being landed.
- Skipper Expo – attended this in May.
- LEADER programme event – part organised to encourage community enterprise event and facilitate project idea discussions. This event will be replicated with one will be held in a fisheries area.
- Meetings - with potential new application across the area from both private and public sector. The deliverability of the projects, the, capacity of organisations to manage and the timescales involved are all factors which are slowing things down.

## 5.2

### **Approved projects update**

#### 5.2.1

Buchanhaven Boat Shed – spoke to project lead who advises the project is largely complete on target to be finished end of July. Into the internal fit our officially open at annual gala on 29<sup>th</sup> July. Publicity will be arranged by the applicant. The NESFLAG will have some involvement in this.

An issue arose regarding Marine Scotland's approach to paying claims as they insist that all contributions (public funding money) must be used for payments prior to receiving any Marine Scotland funds. Discussions with

Marine Scotland took place with the Co-ordinator and Team Manager regarding the interpretation of Marine Scotland guidance. The Buchanhaven project received a personal loan from a committee member to cash flow their project in the interim period. Approximately £18k of grant has been paid to date.

The NESFLAG agreed they would like to question Marine Scotland about this approach and have guidance clarification as the project's cash flow was approved and the issue was not raised at the application stage.

**Actions:**

- Write to Graham Black, Marine Scotland outlining queries.
- Mark Nicoll to be invited to the next NESFLAG meeting to resolve/advise and clarify Marine Scotland guidance.

5.2.2 Peterhead Port Authority – the pontoons were installed in March. A final claim has been submitted. A monitoring visit has to be undertaken prior to the claim being approved; a monitoring visit is scheduled for next week.

5.2.3 PBP Services – the galvanisation of boats project is pressing ahead. The metallisation equipment has been ordered and will arrive soon. The electric pressers have been delivered and will be fitted shortly with the entire project being complete and available for use within the next four weeks. The group will then submit a final claim.

5.3 **Expression of Interests Received**

The Co-ordinator will continue to circulate the EOIs which have come in since the last FLAG meeting. The Co-ordinator is confident that a good number of EOIs will come forward in the next round. The Co-ordinator advised that five EOIs have been received since the last meeting;

- Stonehaven Sea Cadets – new building is a disused warehouse type building near the harbour. The current building the Cadets use is a leased building which is too small. The new facility will have direct access to the harbour. The group have raised half the money and undertaken some works i.e. internal works. £150k is required to complete a fit out of the building. Match funding is required but this is a complication for NESFLAG who could only fund ring-fenced fit out costs. This project application may come in in the next round.
- Maggie Law Museum – an application is likely to come in from them in the next couple of rounds.
- Language café – WEA charity have undertaken a pilot project with eastern European Union migrants working in the fishing industry/processing. The project aims to improve English language skills and foster better integration in to the community. The project would fall under the Social Wellbeing theme of the NESFLAG priorities. 2 -3yr project employing a coordinator and tutors in predominantly Fraserburgh and Peterhead led by WEA. Will come forward in the next round. Seeking 100% funding.

- Arbroath Harbour development, being led by Angus Council. Will come forward soon.
- Heritage trail Banff/Macduff – similar to the Peterhead town trail which will connect to the maritime heritage in the towns.

The Co-ordinator advised that another few projects could come forward in the next rounds;

- Arbroath Youth training seafood restaurant in Arbroath.
- Fish processor extension to premises.
- Ship painting business in Peterhead
- Seafood restaurant in Peterhead.

## 6. Monitoring

- 6.1 Team Manager Martin Brebner compiled the Monitoring report providing an overview of where we are to date in the programme. NESFLAG noted its contents.

## 7. Application rounds 2018

- 7.1 A paper proposing the application rounds for 2018 was issued. The schedule for meetings will follow a similar schedule to 2017. Which will see three application rounds throughout the year. Marine Scotland current guidance is that the EMFF programme has to be fully committed by the end of 2018 which fits in with the proposed Brexit date of March 2019. The budget will have to be fully drawn down by the end of 2020. Around £1.2 million will be required to be spent. There is still some dubiety around these timescales.

- 7.1.1 **The NESFLAG approved;**  
The proposed new schedule for 2018 application rounds

## 8. Commissioned projects

- 8.1 Derek McDonald advised that the “adding value and promoting innovation at all stages of the fisheries supply chain” priority which has £178k has had little sign of activity. There is quite a lot that could be done by processors and it was noted that although it is for individual companies to come forward with applications, most organisation are going to the main EMFF fund. It is clear there is a need for NESFLAG to assist businesses on a smaller scale.

Derek has been speaking to Jimmy Buchan and Michael Bates regarding commissioning a project to support innovation for processing sector businesses operating on a small scale. Automation, skilled labour, premises and quality accreditation have been highlighted as needs. Skinning and filleting skills is a common thread and skilled filleters are in demand.

The options presented were to create a demonstration day for manufacturers to bring equipment to allow prospective buyers insight into what could be done or to underwrite the costs for a party of representatives to visit the Brussels Seafood Show (the largest of its kind in the world). Benefits to the

latter project will allow the delegation to see what other companies are doing, what they could do with their products, picking up new customers and networking opportunities. The delegates would have to pay some element of the costs with match funding being sought from Seafood Scotland, Scottish Enterprise, Aberdeenshire Council and others. Delegates would be targeted from fishermen, engineering firms etc.

Scottish Seafood Association could be the lead for this project.

**8.1.1 The NESFLAG approved;**

The commissioned project proposal from Derek for representatives to visit the Brussels Seafood Show. This will be led by a subgroup consisting of SSA and Aberdeenshire Council and any other organisation who wish to partner.

8.2 The Chair advised that there is a need to encourage producers to reach a minimum level of accreditation and will work with Derek on this in the future. An Accreditation Co-ordinator could work across the area.

8.3 Martin Brebner has drafted a paper outlining the process/agreement requirements for project commissioning. The FLAG collectively sees a gap and wishes to see a project be initiated, approved and implemented with FLAG members involvement (which would also see a sub-group being formalised to review projects). It was confirmed that there has to be a lead applicant which must be a FLAG member.

8.4 Iain Maddox advised that Regional IFG fisheries management plan has been finalised and that a wide range of projects would be looking for EMFF monies and for local FLAG projects. Iain will have discussions with the Co-ordinator on the project proposals but would step back from any formal applications from the IFGs.

**8.5 The NESFLAG approved the following recommendations to;**

8.5.1 Consider commissioning additional activity to fill gaps in the delivery of the Local Development Strategies;

8.5.2 Consider and endorse the commissioning process and Commissioned Project Group terms of reference set out at Appendices 1 and 2 to the "Project Commissioning" report.

**9. Discussion - International Co-operation**

9.1 There is 1% (£14300) of the NESFLAG budget is set aside for International Co-operation a project example knowledge sharing project outside of Scotland. Through the FARNET portal there is an idea exchange site where project proposals can be shared and projects collaborated on. The sum of money is not large so the Co-ordinator would like NESFLAG members to think about project ideas.

Iain suggested that as Denmark have good ways of running their community fisheries and we may be able to take ideas from them. Their industry is growing and may be useful as a model.

**10. AOCB**

10.1 None raised.

11. **Date of Next NESFLAG PAC Meeting:** 27 September 2017, Council Chamber, Peterhead.

11.1 Robin advised he is unavailable for the next PAC meeting – but will advise of a substitute.

12. **Date of next NESFLAG Meeting:** 25 October 2017, Location TBC

<b>SUMMARY OF ACTION POINTS</b>	<b>RESPONSIBLE</b>
Write to Graham Black, Marine Scotland outlining queries	JB
Mark Nicoll to be invited to the next NESFLAG meeting to resolve/advise and clarify Marine Scotland guidance.	JW

Minute Taker – June Jaffrey, European Claims Officer  
04/07/17

APPROVED