

**D R A F T**  
**MINUTE OF FLAG MEETING**

**TUESDAY, 2 JUNE 2015 AT 1.30 PM**  
**CONFERENCE ROOM F, WOODHILL HOUSE, ABERDEEN**

**Present**

Belinda Miller	FLAG Chairperson
Moira Beverley	Aberdeenshire Council – Finance
George Cameron	Aberdeenshire Council - Principal Engineer Harbours
Gavin Clark	Scottish Natural Heritage
Gina Ford	Scottish Enterprise
Chris White	Aberdeenshire Council Area Manager
Andy Willox	Federation of Small Businesses

**Officers in Attendance**

Martin Brebner	Team Manager European Policies & Programmes
David John McRobbie	European Programmes Co-ordinator
Anne MacLennan	European Programmes Claims Officer

**Apologies**

James Buchan	Scottish Fishermen's Organisation
Will Clark	Peterhead & Fraserburgh Fish Processors Association
Ian Gatt	Scottish Pelagic Fishermen's Association Ltd
Roger Goodyear	Banff Coast Tourism Partnership
Reid Hutchison	Aberdeenshire Council – Community Economic Development
Michael Park	Scottish Whitefish Producers Association
Philip Smith	Visit Scotland

**1. WELCOME & APOLOGIES**

1.1 Belinda welcomed those present. Chris White joined the meeting via conference call.

**2. DRAFT MINUTE OF AEFF FLAG MEETING**

2.1 The draft minute of the AEFF FLAG meeting held on 20 January 2015 was approved and will be uploaded on the AEFF website.

**3. CHAIRPERSON'S UPDATE**

3.1 At the FLAG meeting on 20 January, the Chairperson was asked to write to Cabinet Secretary Richard Lochhead to make him aware of issues experienced with the current AEFF programme. Concerns were raised about operational systems and with being unable to commit all the funding due to difficulties encountered with regard to securing co-finance.

David John had previously submitted a briefing to the Cabinet Secretary regarding concerns about lack of co-finance and Marine Scotland have been made aware of co-finance issues at any meetings held.

FLAG members considered the response received to be fairly dismissive. The FLAG committee has been working in good faith and these issues were considered to be important. The response was noted.

FLAGs Scotland wide have had concerns about co-finance. Aberdeenshire Council did not have an available block allocation of funds to use as co-finance for the current programme. However, on a more positive note, Scottish Government Ministers have approved public co-finance for the new programme.

#### **4. CO-ORDINATOR'S UPDATE**

4.1 The Co-ordinator's Update is summarised below:

- A total of £957,690 axis 4 funds available.
- £843,425 committed on twenty seven approved projects.
- Three projects have been de-committed.
- Ten projects have completed with slight underspends totalling £13,170.
- This results in a revised commitment figure of £675,870 on the remaining twenty four projects.
- A total of £465,000 has been claimed to date with a balance of £210,000 still to be drawn down.
- This represents 68.8% spend to date.
- Of the remaining ten live projects, the majority are anticipated to complete by the end of June with only three projects ongoing until the start of August.
- Claims totalling £89,000 have been submitted to Marine Scotland and these will be processed as soon as the outcome of the pre-payment inspection sample is known. This will take AEFf up to 82% spend.
- Ten admin and project claims have been submitted to Marine Scotland to date.
- A total of £41,000 for admin expenditure and £30,000 for project expenditure is still to be reimbursed from Marine Scotland. The claims officer is working through a number of queries from Marine Scotland to allow release of funds.
- Claims officers have encountered difficulties with sourcing evidence of expenditure and tracing items to bank statement. It has proved almost impossible to evidence photocopying/mobile phone charges as these small amounts form part of a much larger Council wide figure. It was agreed that these items be absorbed by Economic Development as it is proving to be far too time consuming and not at all cost effective to provide a sufficient audit trail.
- Admin claims will retain the same format for the new programme although project claims will be moving to payment on outcomes. Awaiting guidance on this from Marine Scotland. It has been suggested that Marine Scotland will pay project claims in the new programme. Although this process will avoid Aberdeenshire Council incurring the expenditure until reimbursement is drawn down from Marine Scotland, concerns were expressed that this process might mean payment delays for applicants.
- The March Quarterly Performance Management Report was

submitted in early April.

- Fraserburgh Harbour Installation of pontoons project was selected for pre-payment inspection by Marine Scotland. This project was also chosen for inspection by Audit.
- A member of SG Internal Audit visited to inspect three project claims and one admin claim. On the second day, the auditor carried out site visits to two projects – Sandhaven & Pitullie Enabling Works and Fraserburgh Harbour Installation of pontoons. The team is awaiting the outcome of the audit.
- David John met with a representative of Aberdeenshire Council's Media Unit to discuss the possibility of producing four videos each lasting four minutes to showcase a selection of AEFF projects plus a promotional video for the new programme. The indicative cost is between £7,000 - £9,000. Robin Palmer from the Media Unit advised that external companies could charge up to £3,000 per minute for this service. It was agreed that this would be an excellent resource to showcase what has been achieved in the current programme although the proposed costs were considered to be high. Quotes will have to be obtained but in the meantime it was also suggested that it may be worth contacting the Media Studies departments at NESCOL and Peterhead Academy. Belinda also suggested contacting Elizabeth Mathie to enquire about the cost of similar event videos which have previously been commissioned by Economic Development. David John welcomed the FLAG's thoughts.
- An AEFF article will appear in the annual 'fishing review' of the Buchan Observer and the Fraserburgh Herald.
- David John is submitting an article for the Council's Infrastructure Quarterly newsletter.
- The Council's Fisheries Working Group has expressed an interest in touring completed AEFF projects in the Banff and Buchan area. This has been arranged for the end of June and Councillors will visit the refurbished Seafront Café in Macduff, the Macduff Shipyard Slipway and the Banff Ice Machine. A lunch at the Galley Restaurant at Whitehills has also been arranged at Councillors' own expense.

## 5. AEFF PROJECT UPDATE

- 5.1 **AEFF/R2/Sep12/005** Our Village: A People's Story of Johnshaven – Since opening in May, the lifeboat shed has received a second place award for its design. David John expressed concerns about a potential major underspend on the project. At present more public funds have been received than have been spent on the project. No private contribution has been used as yet and this may result in AEFF grant being restricted at final claim stage or even possible grant recovery. The applicant has revised costs and reduced the total by £20,000. Although approximately £15,000 is still to be spent, it looks unlikely that AEFF will be able to pay out any further grant. Another meeting has been scheduled for July.
- 5.2 **AEFF/R2/Sep12/007** Taste of Grampian Seafood Pavilion – Aberdeen & Northern Marts were in partnership with Aberdeenshire Council in this project. Marine Scotland came back with a query regarding the private

contribution from ANM. Evidence of ANM contribution has been sourced from the project manager and Anne has now submitted this to Marine Scotland.

- 5.3 **AEFF/R2/Sep12/009** Portsoy Organisation for Restoration and Training Boatshed – After many delays the project is nearing completion. The applicant requested a further extension to June 2015 and is now confident that the boatshed will be completed in time for the official opening at the annual Scottish Traditional Boat Festival in July. Regular monthly visits have been carried out and both David John and Anne are due to visit on Thursday this week. After initial concerns, the applicant has succeeded in turning the project around.
- 5.4 **AEFF/R3/Dec12/011** Energetica Coastal Path Phase I – On FLAG recommendation, David John met with the applicant and his line manager regarding concerns about the progress of the project and claims. Although the pathways were complete, no interpretation boards had been erected and therefore a possible project de-commitment letter was issued. Following a meeting, it was established that Scottish Enterprise match funding had never been received. However, although two years late, SE still paid out the grant. Evidence of this allowed the first claim to be processed. A site visit will be undertaken to ensure the interpretation boards are in place before the final 20% grant is released.
- 5.5 **AEFF/R5/Jun13/021** Enabling Works at Sandhaven & Pitullie Harbour - Project completed in June 2014. The project was selected by Scottish Government Internal Audit for inspection as part of their review of expenditure in the 2014-15 financial year.
- 5.6 **AEFF/R5/Jun13/022** Peterhead and Fraserburgh Fish Producers Association (PFFPA) Development Officer – A project amendment was approved for the project to be extended to August 2015, due to the post holder being on a reduced salary. No underspend is anticipated on this project.
- 5.7 **AEFF/R6/Sep/023** Increased Efficiency for Macduff Shipyards – The slipway is now complete with the ramp being successfully installed. The project completed on time and the match funding from six key areas was drawn down before the end of the 2014-15 financial year. The final claim can now be paid following a satisfactory site visit.
- 5.8 **AEFF/R6/Sep/024** Banff Ice Machine – The ice machine is now fully operational. George Cameron updated the FLAG on how the machine operates and how the process of obtaining ice works for customers. FLAG agreed this has been a very successful project. A plaque acknowledging AEFF contribution has been erected.
- 5.9 **AEFF/R6/Sep13/026** Ythan Estuary Forvie New Visitor Facility – The visitor centre has been open since spring 2014. Final project claim was processed in April 2015 due to a delay in receipt of supporting documentation to evidence match funding. FLAG agreed this is an excellent facility.

- 5.10 **AEFF/R7/Dec13/027** Installation of Pontoons at Fraserburgh Harbour – The project is now complete and all the berths are fully utilised. Due to there being a slight underspend, approval was granted for one additional pontoon to be installed. As per the condition of grant, two spaces at the facility are permanently available for visiting yachts.
- 5.11 **AEFF/R7/Dec13/028** Gardenstown Harbour Eco Tourism Vessel Access Project – The project has drawn down 80% of grant. The final claim, which will detail milestones and benefits, is expected soon. A new stairwell and vertical ladder have been installed. FLAG agreed that it will be important to raise awareness about this project with organisations such as Visit Scotland, the Tourist Board and BCTP so that any re-prints of tourism brochures can feature the improved access at the harbour.
- 5.12 **AEFF/R8/Feb14/033** Seafood Sea Here! – The project is now underway with the appointment of a project officer. The applicant has requested a project extension and this has been approved by Aberdeenshire. However, as this is a joint inter-regional project with Highland and Moray, the process takes slightly longer with each of the three areas checking claims. The final claim is expected by the end of July.
- 5.13 **AEFF/R9/Apr14/036** Peterhead Town Heritage Trail – The installation of the visual blades is now complete. It is anticipated that the trail will increase footfall through the town centre. The final claim has been processed. A final monitoring visit has to be undertaken.
- 5.14 **AEFF/R9/Apr14/039** The Seafront Seafood Restaurant – The kitchen and toilets have been installed and, following initial delays due to issues with planning permission, the project is now nearing completion. The applicant is currently advertising for staff. The official opening is planned for the end of June 2015.

FLAG agreed that the project will help to increase the number of visitors to Macduff. George Cameron mentioned a new incentive to introduce and promote start-up businesses. This incentive is part of the Banff & Buchan Master Plan. FLAG agreed that if there is sufficient support provided, Macduff can offer good opportunities for small businesses.

- 5.15 **AEFF/R9/Apr14/040** Rosehearty Boat Compound - Project costs have increased significantly due to ground works being more expensive. However, AEFF grant cannot be increased and this has resulted in the applicant having to increase their own contribution. The final claim has been submitted but cannot be processed until supporting documentation is received from Aberdeenshire Council Finance department to evidence an internal journal transfer of funds from harbours to roads. Moira Beverly undertook to try to source the missing documentation in order to speed up the claim payment process.
- 5.16 **AEFF/R9/Apr14/041** Marina Feasibility Study – The contractor was chosen following some delays with tendering. The draft study has now been circulated and the claim will be submitted once all transactions have been paid. A pre-completion visit was undertaken with the applicant. Two copies

of the completed study plus an electronic version are required as per the conditions of grant. FLAG will receive a copy of the executive summary.

- 5.17 David John concluded his report by saying how much he enjoys visiting projects to monitor progress and see what has been achieved. The delay with the start of the new programme has been welcomed by David John as it would have proved difficult to conclude the current programme and animate the new programme simultaneously. Belinda thanked David John and the team for all their hard work.

## **6. UPDATE ON NEW PROGRAMME**

- 6.1 Angus have indicated that they are willing to join with Aberdeenshire to create a North East Scotland FLAG. However, Moray are not keen to join and look more likely to link with Highland.
- 6.2 Linda Hope and Jimmy Buchan have been appointed as co-chairs of the new NESFLAG.
- 6.3 A meeting of NESFLAG is scheduled for Thursday, 11 June at Buchan House in Peterhead where there will be an option to invite nominations for the positions of vice-chair.
- 6.3 The Local Development Strategies have been submitted to Scottish Government but no funding allocation has been intimated as yet.
- 6.4 As discussed earlier, co-finance will be provided for the new programme but this will be at a different rate. Funding will be at a ratio of 3:1 being 75% fisheries to 25% public co-finance (Scottish Government).
- 6.5 It is estimated that applicants will have to find 50% of the funding package. FLAG agreed that this could prove difficult for some community groups.
- 6.6 Aberdeenshire is prepared to offer support to Marine Scotland with regard to writing guidance for the new programme. A Marine Scotland representative is due to attend the NESFLAG meeting on 11 June.
- 6.7 A meeting of Chairs and Vice-chairs of the new SALAG/NALAG/NESFLAG will take place on Friday, 5 June and it is hoped that an indicative timetable can be set following this meeting.
- 6.8 Until confirmation of funding and guidance documents are received, best guess is that the new programmes will be launched in October 2015 with the first application round being set for December 2015 or January 2016 at the earliest. This will allow sufficient time to animate the new programme.
- 6.9 The new IT system is also proving to be a barrier.
- 6.10 FLAG agreed that it could prove be difficult to keep up the momentum and maintain the interest of new LAG members.

## **7. AOCB – Evaluation Report**

- 7.1 David John is currently drafting an AEFf Evaluation Report. The format of the publication will be similar to a sample of an early LEADER annual report rather than the glossy, more expensive final LEADER evaluation. The report will include the history of the programme as well as project case studies and statistics. A questionnaire will be circulated to FLAG members shortly to gather any further thoughts about the publication.

**8. DATE OF NEXT MEETING**

- 8.1 The next scheduled meeting of the current FLAG will take place on 3 December 2015. It was agreed that meetings be held at Buchan House, Peterhead with the possibility of video conferencing facilities for those members who have furthest to travel.