

D R A F T
MINUTE OF MEETING OF
AEFF PROJECT ASSESSMENT COMMITTEE

TUESDAY, 20 MAY 2014 AT 1.30 PM
CONFERENCE ROOM C, WOODHILL HOUSE

Present

Belinda Miller	FLAG Chairperson
Gina Ford	Scottish Enterprise
Gavin Clark	Scottish Natural Heritage
Ian Hay	East Grampian Coastal Partnership

Officers in Attendance

David-John McRobbie	Aberdeenshire Council
Anne MacLennan	Aberdeenshire Council

Apologies

James Buchan	Scottish Fishermans Organisation
Linda Hope	North East of Scotland College
Martin Brebner	Aberdeenshire Council

1. WELCOME & APOLOGIES

1.1 Belinda welcomed those present and apologies were noted as above.

2. DRAFT MINUTE OF PAC MEETING ON 11 MARCH 2014

2.1 Under section 8 AOCB, item 8.1 - cap park will be amended to read car park. The minute was then approved.

3. DRAFT MINUTE OF FLAG MEETING ON 31 MARCH 2014

3.1 In advance of the FLAG meeting, the following corrections will be made to the minute:

a) Under section 6, DOI – it should be noted that Gavin Clark, SNH indicated an interest in project 033 – ‘Seafood See Here’ due to Moray Firth Partnership being hosted by SNH. Gavin was not excluded from the vote because SNH is not directly involved with the application.

b) Item 7.1 on page 3 – remove the paragraph just above the scoring table as this text relates to an earlier minute.

c) An addendum is to be added at the end of the minute to indicate that absent FLAG members were asked to complete the scoring matrix due to the meeting not being quorate.

3.2 The minute was noted and will be tabled for approval at the FLAG meeting on 5 June 2014.

4. CHAIRPERSON'S UPDATE

- 4.1 Martin Brebner is attending a collaborative workshop organised by Marine Scotland (MS) today. The agenda will focus mainly on Local Development Strategy delivery for fisheries areas. To date, MS has not been so closely involved with the new programme and therefore several queries about the strategy have been raised. MS would prefer to continue with another FLAG. It is hoped that this meeting will also provide clearer answers to on-going issues with co-finance.

Belinda will be attending the LEADER Strategic Board (LSB) meeting tomorrow, Wednesday, 21 May.

It is hoped to have clearer answers following both these meetings.

5. CO-ORDINATOR'S UPDATE

- 5.1 Approximate balance of funds available is £179,923 with access to additional funding of £200,000 if required. A funding summary for this round was circulated.
- 5.2 AEFF administrative claims are being prepared for submission to Marine Scotland. More detailed backup documentation has been requested and most of the supporting paperwork has now been received.
- 5.3 Approximately £119,462 of Axis 4 funds has been claimed to date by projects. This represents an AEFF spend of 15.4%
- 5.4 Various reports on indicative cash flow and estimated expenditure have been submitted to Marine Scotland.
- 5.5 AEFF will be represented at the Skipper Expo event at the AECC on 30/31 May 2014.
- 5.6 Provost Webster and Cllr Peter Argyle will be part of a delegation touring two AEFF projects on Friday 23 May.
- 5.7 A Finnish FLAG has been in contact with David John with regard to a possible visit to FLAGs in Aberdeenshire, Angus, Moray and the Scottish Borders in September 2014.
- 5.8 **Update on Issues with Approved Projects**
Fraserburgh Harbour Commissioners are concerned about cash reserves to move forward with the Pontoons project. The Harbour Commissioners will make a decision at the next board meeting on whether or not to proceed with the project. This may result in a project de-commitment.

A meeting was held with the applicant regarding issues with securing co-finance for the Back Green project. There are concerns that the applicant will not have sufficient time to raise the shortfall of funds and complete the

project within the AEFf deadline.

5.9 The next audit of AEFf will take place in June.

6. DECLARATIONS OF INTEREST

6.1 Belinda declared an interest in the following projects where Aberdeenshire Council is the applicant and will leave the room during project discussion. Gavin Clark will assume duties as chair.

036 – Peterhead Town Heritage Trail

040 – Rosehearty Boat Compound

Belinda also indicated an interest in Projects 041 – Marina Feasibility Study and 042 – Harbour Car Park. However, as Aberdeenshire Council is not the applicant, Belinda will be able to participate in the project discussion.

7. AEFf PROJECT ASSESSMENT REPORTS AND APPLICATIONS

7.1 036 – Peterhead Town Heritage Trail

DOI – Belinda Miller left the room and Gavin Clark assumed the role of chair.

The project is to create a new heritage trail that will encompass the traditional fishing town of Peterhead. An existing small heritage trail will be upgraded and extended and will link twenty three points of interest.

Residents and visitors to Peterhead are expected to benefit as the trail will enable wider promotion of the local area, increasing footfall through the town centre and boosting local businesses. There are also intentions to link the trail with local seafood producers to add to the visitor experience.

Visual blades / interpretation boards containing literature and information about the fisheries significance of particular points will be located along the trail. QR codes will be included on the visual blades, leading users to a more detailed website. There are also plans to add on an augmented visual app which will be developed with members of the local theatre group, the museum and pupils from local schools. When scanned, this app will tell stories and present details in a more accessible, dramatic and visual way.

Private sponsorship will be secured for each of the visual blades. The money raised from this sponsorship will be used to maintain the blades which have an anticipated lifespan of approximately ten to fifteen years.

Through a community planning workshop and an external study, local residents identified that some of the key strengths of the town's history were not being promoted and celebrated.

As a direct result of this, a new "Peterhead Heritage Town Steering Group" was formed, incorporating a wide range of different local organisations. These members will be responsible in assisting the applicant with the development of the proposed project.

Four invitations to quote were issued for the design of the blades. However, as this is a specialist area, quotes were narrowed down to two Glasgow based companies.

No planning is required and other consents are all in place. The application has a 50:50 aid intensity split. The project aligns with five of the eight measures a, b, d, e & f.

The applicant is Aberdeenshire Council. As with all Local Authority led projects, following the FLAG decision, this application will be forwarded to Marine Scotland for final approval.

PAC welcomed the idea and considered the inclusion of QR codes on the visual blades to be particularly innovative.

As the blades will be located outside in a harsh environment, PAC considered the durability of the product to be important, especially with regard to the wording on the blades being UV stable.

Although broadly supportive of the project, the PAC would welcome clarification on the following points:

Assurance to be sought regarding the security of the QR codes. Users must be confident that the codes will direct them to the correct web page.

PAC would welcome further information regarding the issue of equal opportunities. It will be essential for the visual blades to be at a suitable height to enable all users of the trail to read the information and access the QR codes.

More detailed information is requested regarding Phase II of the project which includes the interactive website and visual app.

PROJECT FUNDING OF £15,000 RECOMMENDED FOR APPROVAL WITH ADDITIONAL INFORMATION REQUESTED FOR THE FLAG.

7.2 037 – Inshore Mackerel Quality Enhancement

The project is to purchase forty insulated bins to enhance the quality and maintain the freshness of line caught mackerel.

The catch will be stored in insulated fish bins containing ice and seawater and this will help eradicate the problem of the mackerel deteriorating on warm summer days. The quality of the fish will be increased dramatically in comparison to the conventional way of storing fish in standard boxes, thus adding value to seafood products.

The applicant proposes to replace his current forty five litre conventional fish boxes with new insulated bins. These bins have lids and can be made water tight, preserving the freshness and significantly increasing the shelf life of the catch. The insulated bins have an anticipated lifespan of fifteen to

twenty years.

The applicant, a fisherman with over twenty eight years' experience, has researched the effect of storing Mackerel in insulated bins by carrying out a trial last year. Initially, the applicant purchased two insulated bins and stored part of his catch between the new bins and conventional boxes. The quality and freshness of the fish stored in insulated bins helped deliver an increased price of around twenty five percent.

The project will also contribute to a pilot study being run by a number of Inshore Fisheries Groups in Scotland this summer.

The project is of a commercial fishing nature with the applicant fishing mainly out of Peterhead in a sustainable and environmentally friendly way.

It is not expected that the project will support any increase in catching effort as the applicant is a member of a Producers Organisation and must fish in line with the vessel's quota allocation.

Three quotes have been obtained and the preferred supplier has been identified. Eligible project costs of £9,285 are considered to be accurate.

No consents are necessary. The applications has a 60:40 aid intensity split and the project aligns with eligible measures a & d.

PAC welcomed the project which will undoubtedly improve freshness and quality of the product and in turn will lead to less wastage.

Improved storage will allow the applicant to market a higher quality product. PAC would welcome more detail about whether the Mackerel caught is for the local market or for export abroad?

PAC queried how the vessel would be able to store forty bins of this size on board. David John was able to explain that twenty bins are stored on the vessel and once full they are landed and replaced with twenty empty bins which are stored onshore. The buyer then takes the bin away with the catch, returning the empty bin.

PAC were interested to find out more about the difference between the applicant having his own quota and the pool scheme where vessels get an equal share of the Government's allocation.

PROJECT FUNDING OF £2,785.50 RECOMMENDED FOR APPROVAL.

7.3 **038 – Development of Gardenstown Heritage Centre**

The project is to enhance visitor facilities at Gardenstown Harbour through the development of a high quality Heritage Centre. The centre will promote the history, tradition and culture of the fishing industry which has been historically based in the village.

The centre will undergo a full refurbishment with old electrical works being replaced to enable a new, innovative exhibition area to be developed. New

interactive exhibits will be introduced allowing visitors the opportunity to scroll through photographs, videos and select points of interest of the fishing culture of Gardenstown, Seatown and Crovie.

The upgraded Gardenstown Heritage Centre will continue to be operated by volunteers and will be open to visitors during the week, at weekends and during the summer season. Primary and secondary school visits will be encouraged as well as visits from the local college at Fraserburgh.

The Heritage Centre volunteers and Gardenstown Harbour Trustees continue to work in close collaboration to bring forward the project which will allow the centre to fully capitalise on its unique position.

There is potential to significantly increase the attractiveness of the facility by upgrading and developing both the exhibits and centre. There are currently thirteen volunteers, mainly retired fishermen and their wives, giving visitors first hand accounts of their personal experiences at sea.

No consents are required. Total project costs are £67,456 with the applicant group contributing twenty per cent. The application has a 60:40 aid intensity split and the project aligns with six of the eight measures a, b, c, d, e & f.

One quote has been obtained for the specialist development of the exhibition. Justification for one quote must be provided. To meet the procurement process, another one quote will be required for each of the other cost categories; joinery, electrical and decoration. At present two quotations have been obtained.

The facility currently attracts around 400 visitors per year. PAC would like more detailed information on the anticipated target number of visitors once the centre has been refurbished. PAC would like to see a comparison between visitor numbers to the centre and visitor numbers to other attractions in the area.

PAC questioned whether the project represented value for money for the number of visitors detailed in the application. PAC agreed that marketing will be key to increasing visitor numbers and would welcome further information on how the applicant intends to market the newly refurbished centre.

PAC would also welcome more information as to why such a high spec interactive exhibition was deemed to be appropriate. Less complicated, traditional displays may be more appropriate for this attraction.

FURTHER INFORMATION TO BE REQUESTED FROM THE APPLICANT FOR THE FLAG.

7.4 039 – The Seafront, Seafood Restaurant

The project is to re-develop an existing unused fisheries building at Macduff Harbour to create a quality Seafood Restaurant. The restaurant will

increase the tourist offering of the Macduff harbour front by promoting locally caught fish in a unique harbour setting as well as catering for the needs of harbour workers by providing takeaway facilities.

The project will assist in the development of tourism on the Banffshire Coast, specifically Macduff, by providing a nice venue for visitors to eat. The restaurant will be open daily and will increase the service provision on offer to harbour users.

The restaurant will be furnished to a high standard. The proposal is to install a new kitchen, toilet facilities, central heating system and serving counter as well as replacing the old electrical works and water tanks. Floor coverings, kitchen equipment, tables, chairs and crockery will also be required for this new venture.

The project is expected to create jobs for five full time employees

Macduff has suffered as a direct result of the decline of the fishing industry in the area and the town is now deemed a regeneration zone. Concerns regarding a lack of eating facilities in the town were raised during community consultation and it was recognised that there is a need for a restaurant/takeaway service for visitors, residents and local workers.

There is substantial support and buy in from local businesses, with over thirty questionnaire responses being received from harbour users. A letter of support has been received from Macduff Shipyards, currently the largest employer in Macduff.

The premises are owned by the applicant's husband who will lease the building if the application is successful. A letter confirming the rental charge per month has been received.

Planning permission is ready to be submitted and three quotations have been obtained. Total project costs are £90,600 with the applicant contributing forty per cent. No public co-finance has been confirmed although Aberdeenshire Council's Towns Regeneration Fund looks favourable. The application has a 70:30 aid intensity split and the project aligns with five of the eight measures a, c, d, e & f.

PAC agreed that the proposal to create a seafood restaurant links perfectly to the sustainability of Macduff and will offer the opportunity to promote and add value to the wealth of locally landed fish.

PAC would welcome further information on the sustainability of the project as the business is likely to be affected by the same external forces as other businesses in the Macduff area.

PAC did not consider displacement to be an issue. The Harbour View Hotel will not be in direct competition as it is open at night while the new restaurant will be open during the day. It was agreed that an additional eating venue can only be of benefit for Macduff.

PAC expressed concerns about how the restaurant and the take away facility can operate in complement. It was suggested that the main focus be on the menu for sit down customers with a slightly more restricted menu being available for carry out.

If the application is approved, the project must last as a going concern for a minimum of five years. PAC would welcome clarification on the condition of grant if the business is sold on as a going concern. Does the grant go with the business or does it have to be paid back?

If successful, PAC would like conditions of grant to be similar to those for the Whitehills Restaurant. That being the emphasis is on locally sourced seafood and produce with the menu focusing on seafood.

PAC would also like to remind the applicant that the grant is paid in arrears. It was also suggested that the applicant be made aware of Aberdeenshire Council's First Employee Grant Scheme which allows up to £1,000 for a business taking on new employees.

PROJECT FUNDING OF £27,180 RECOMMENDED FOR APPROVAL WITH ADDITIONAL INFORMATION REQUESTED FOR THE FLAG.

7.5 **041 – Marina Feasibility Study**

The project is to fund a Feasibility study focusing on the viability of developing a Marina in Stonehaven.

A consultancy practice on behalf of the Stonehaven Town Partnership (STP) is invited to carry out a study on the proposals to develop the harbour into a marina.

It is anticipated that the project will benefit the local community and economy in several ways if the aims of the study are endorsed.

The Feasibility study proposal was discussed at K&M Area Committee and received support from Aberdeenshire Council. It was agreed that Willie Murdoch from the Council's Harbour Service would provide technical assistance and preliminary advice.

Stonehaven Harbour is managed by Aberdeenshire Council but the project is being brought forward by STP on behalf of the local community. The project evolved from years of community input and was deemed a high priority at a Planning for Real event held in Stonehaven in November 2012.

No formal partnership agreement exists between Aberdeenshire Council and STP regarding the project proposal.

Total project costs are £25,000 with STP contributing ten per cent. Aberdeenshire Council's Harbour Services Budget will provide £5,000 subject to the feasibility study leading to a meaningful study output. This leaves a £6,250 shortfall of public co-finance which could possibly be funded by Aberdeenshire Council's SAB scheme.

Only two quotes have been received so one more will be required. The application has a 55:45 aid intensity split and the project aligns with four of the eight measures b, c, e & f.

PAC queried the relationship between the Council and the applicant. If the Council owns and manages the harbour, why would AXIS 4 pay grant to a third party?

Although the PAC recognises there is a high charge for consultants, the PAC considered £25,000 to be excessive for a feasibility study.

A host of options are to be explored in the study and PAC would welcome clarification about the target market.

PAC would also like more detail about the technical assistance being provided by the Council. A letter from Willie Murdoch to clarify what is involved would be welcomed.

PAC was supportive of the feasibility study but it must be very clear what the study is going to lead to.

PAC would like clarification about the role of STP as they don't own or manage the facility.

THE PAC REQUIRE FURTHER INFORMATION BEFORE MAKING A FUNDING RECOMMENDATION.

7.6 042 – Harbour Car Park

The project is to redevelop the site of a derelict former gas works into a harbour car park. This will allow the applicant, Stonehaven Town Partnership (STP) to better meet the needs and aspirations of visitors to the town

The provision of a 60 space car park will enhance visitor experience and improve the infrastructure of the harbour area. The site is located within the proximity of the harbour and is the last piece of undeveloped land available that would be suitable for a car park. STP is negotiating with Scottish Gas Network about the possibility of purchasing the site.

If concluded, STP intends to convert the gas works site into a community asset and lease the car park to Aberdeenshire Council. The Council has agreed in principle to lease the car park for £10,000 per annum and provide £2,000 towards annual maintenance costs. However, the specific terms have yet to be agreed including the length of the arrangement. The project has the full backing of the Council, as the additional parking would be beneficial to the area as a whole. No formal partnership agreement exists between STP and the Council.

Stonehaven attracts over 93,600 visitors per year. This has put pressure on the infrastructure of the town, especially during the summer season when

more tourists use local services.

The proposal was identified as being a priority for the town and is supported by the majority of local residents.

AEFF can only fund ten per cent towards a site purchase. This results in an ineligible amount of £90,000 to be paid by the applicant. Aberdeenshire Council Roads and Infrastructure budget has confirmed twenty five per cent leaving a public shortfall of £8,000.

David John has checked eligibility of the proposal with Marine Scotland and the response was that it is up to the FLAG to decide.

PAC raised the following concerns:

- PAC was not convinced that the proposed location was the best place to site a car park with the land train passing nearby.
- There is no guarantee that Scottish Gas will sell the site for £100k as it is valued at £120k.
- Project timescale is very close to the AEFF deadline of March 2015.
- If this is to be a Council run car park, clarification is required about why STP is getting involved. It is unclear why the Council would lease from a third party. Involving the Council makes the proposal more complicated. AEFF is not to assist a partnership with earning an income.
- STP will be taking the risk in terms of the lease not being finalised.

PAC would like Martin Brebner to consider the complexities of this proposal with internal audit.

PAC was not supportive at this point due to the proposal not fitting the criteria for AEFF funding.

PROJECT FUNDING OF £18,000 RECOMMENDED FOR REFUSAL.

7.7 043 – Installation of Inner Harbour pontoons – Phase 1

The project is to install pontoons to allow approximately eleven smaller vessels to berth safely at the inner basin of Port Erroll Harbour. This will enable the Harbour Trust to increase berthing numbers from twenty to thirty one. This will answer the increasing demand for berthing facilities and help develop part of the inner basin into a community asset.

Before the pontoons can be installed, the existing sea wall will be refaced to establish proper fixings for the pontoon anchors. A total length of ninety five meters of the pier will be reinforced with concrete. This additional work has

increased the cost of the project significantly as engineers will not be able to fix the pontoons without reinforcing the sea wall.

Funding to repair harbour defences was secured from Marine Scotland at the end of 2013 and work has just been completed. As a result of this, the Trustees are now in a position to complete all works identified as per Phase 1 of the Regeneration Plan which includes the proposed installation of pontoons.

Total project costs are £434,100, including £3,000 of bank charges which are ineligible. Port Erroll Harbour Trustees are contributing ten per cent. No public co-finance has been identified and this leaves a significant shortfall of £193,995. PAC agreed that securing match to that level from another public source will be a significant challenge.

Only one quote has been received due to pressures of time and no competitive tendering has taken place. One quote for a project of this size is unacceptable. Three quotes must be obtained. David John will contact Marine Scotland for clarity on the procurement process.

The application has a 55:45 aid intensity split and the project aligns with four of the eight measures a, b, e & f.

PAC considered project costs to be high for the creation of eleven berths. Approximately £40k per space created was not considered to represent good value for money. The main cost is the re-facing of the harbour wall.

A comparison project sheet was considered by PAC members which compared Port Erroll project with other similar approved AEF projects i.e. Fraserburgh and Stonehaven & Putullie. It was made clear by the comparison sheet that the Port Erroll application represented poor value for money.

PAC was of the opinion that this application has come at the wrong stage in this funding round. The application was incomplete and the applicant may be better advised to wait and re-apply to the new programme.

PAC is unable to recommend the project for approval due to the single quote, difficulties in securing match and the proposal not representing good value for money.

PROJECT FUNDING OF £193,995 RECOMMENDED FOR REFUSAL

7.8 040 – Rosehearty Boat Compound

DOI – Belinda Miller left the room and Gavin Clark assumed the role of chair.

The project is to construct an extension to the existing boat storage compound and improve the access to Port Rae Pier at Rosehearty Harbour.

The project aims to extend the existing boat storage area to allow more space for harbour users such as inshore fishermen to store their vessels

and gear throughout the year. At present, the existing compound cannot service the needs of the newly formed Community Boat Club which has been set up in the area. The Rosehearty Community Boat Club provides opportunities for the local community to preserve and extend skills in boat building, boat maintenance and sailing. It is anticipated that members of this new club will benefit directly from the project.

A new vehicle entrance and a new recycling station will be constructed for Rosehearty village.

Following consultation with customers of Rosehearty Harbour, it was recognised that a new facility was required to support the operations of inshore fishermen and harbour users. Research on demand following discussions at various meetings and the results from a questionnaire have highlighted the need for the work to be carried out.

Rosehearty, a historic fishing village, is located four miles west of Fraserburgh. The village is renowned as being one of the oldest sea ports in Scotland.

The fishing village currently has a population of around 1,300 residents. Around twenty vessels, most involved in part time fishing, use the harbour on a regular basis.

Total project costs are £22,733, including £3,850 of management time which is ineligible. Fifty per cent public co-finance has been secured from Aberdeenshire Council Harbours Service.

Planning permission has been applied for.

The application has a 50:50 aid intensity split and the project aligns with four of the eight measures a, b, e & f.

The applicant is Aberdeenshire Council. Marine Scotland has approved the project in principle but, as with all Local Authority led projects, following the FLAG decision, the application will be forwarded to Marine Scotland for final approval.

PAC was supportive of the straight forward proposal which will have positive economic benefits for the community, ensuring that fishing vessels, small boats and yachts can continue to use the harbour. The facility will ensure the harbour can better meet user demand by providing a service to the local community and encouraging residents to participate in sailing by providing new storage facilities.

PROJECT FUNDING OF £9,441.50 RECOMMENDED FOR APPROVAL.

8. AOCB

Due to diary commitments, the next FLAG meeting will be swapped with the LEADER LAG meeting and will now take place at 10.00 am instead of 1.30 pm.

9. DATE OF NEXT MEETINGS

FLAG Meeting: Thursday, 5 June 2014 at 10.00 am in Committee Room 3, Woodhill House.