

WRITTEN QUESTIONS

(A) From Councillor A S Buchan to the Chief Executive

Q: Scottish Enterprise, Aberdeen City and Aberdeenshire Council recently commissioned consultants to produce a report on the fish processing sector in the North East of Scotland. The report was published in May of this year under the title 'NE Scotland Fish Processing Strategy Report Creating "Scotland's Seafood Centre of Excellence"'. The report was fundamentally flawed and strewn with errors, such as those on Page one, where it stated there was no salmon processing taking place in Fraserburgh. Yet, Fraserburgh is the largest salmon processing town in the UK employing more than 1500 people in the sector. Will the Council be seeking to have its fee for the construction of the report repaid to Aberdeenshire Council in order to have an accurate report commissioned?

A: Whereas the council (and its NESAAAG partners) has undertaken regular studies of the agricultural sector over the past 25 years, strategic analyses of the fisheries sector have been sporadic and irregular. The last known council-sponsored review of the fish processing sector in NE Scotland was in the 1990's. After assuming the brief for the fisheries sector within Economic Development in 2011, formative discussions with industry representatives revealed the absence of a sectoral growth strategy.

In 2012 the 6 key areas fund was launched. A proposal for a study of the processing sector was submitted and approved by Policy and Resources Committee on 20 September 2012 as part of the wider Whitefish Processors Market Development project.

As the new Common Fisheries Policy (CFP) was still under development at that time it was decided to wait until details of the new policy (including the far reaching Landing Obligation – or discards ban) had emerged.

In the meantime discussions were held with a number of stakeholders on the study's terms of reference, how it would be funded and how it might contribute to the national policy context. Stakeholders included Peterhead and Fraserburgh Fish Processors Association/Scottish Seafood Association, Seafood Scotland, Marine Scotland (EFF grants team), Scottish Enterprise and Aberdeen City Council. All were supportive of the project.

Scottish Enterprise (SE) agreed to part-fund the project. The project management team comprised representatives from SE, Aberdeenshire Council and Aberdeen City Council.

After waiting until further CFP detail was available the study was finally initiated and the tender publicised via the Public Contracts Scotland website in April 2014. BDPlus of Fraserburgh submitted the most competitive price and was awarded the contract in June 2014. BDPlus contracted with FG Burnett for the study's property analysis and with Scottish Seafood Association to access information gathered from a series of surveys of their membership.

The cost was shared equally between Aberdeenshire Council and Scottish Enterprise.

BDaplus interviewed 75% of all NE fish processors to gather operational data and identify strategic constraints to business growth. A detailed property analysis was included as many businesses are operating in sub-optimal premises, especially in the city. The full property analysis was not published as it contains commercially confidential information but key findings are referred to in the main report.

The project team met the contractor on several occasions to assess progress and to test interim findings before publication of the final report. Study findings were firstly presented at a specially convened meeting in Victoria Quay, Edinburgh to senior officials from the Scottish Government food and drink team, Marine Scotland, Scottish Enterprise and Seafood Scotland on 30 April 2015. The report was very well received and subsequent discussions considerably overran the timeslot allocated. A commitment was given to adopt many of the recommendations under the soon-to-be refreshed Scottish Seafood Partnership (SSP) action plan. SSP is an industry-led initiative set up by SG three years ago covering wild-caught fisheries and aquaculture industries (no local authority involvement).

The final report by BDaplus was then presented to NESFDP members on Friday 8 May. The findings were again welcomed and led to lengthy debate, especially on the potential implications of CFP reform and the prospects for generating additional value from seafood processing waste/by-product. The report's public launch was on Monday 11 May at the Buchan Braes Hotel, attracting over 50 delegates and broadcast media (BBC, STV, national and local press).

There has been very little feedback which could be construed as critical or negative of the study. On the contrary, the detailed analysis of the processing sector as it stands has been welcomed - even by Seafish which has accepted that its annual survey/analysis has been revealed as incomplete.

The timing of the study is particularly relevant in that it will provide an evidence base in support of strategic investment for the processing sector from the forthcoming European Maritime and Fisheries Fund - this is vitally important given the severe State Aid *de minimis* limits which apply to public sector support for the fisheries sector from alternative funds.

In addition, colleagues from Scottish Enterprise are particularly pleased with the study's property analysis which has provided detailed costings and relocation scenarios for seafood processors still operating in the North Dee area of Aberdeen city - a precursor to the regeneration of the area under the recently published Aberdeen City Masterplan.

In response to Cllr Buchan's specific comments:

Page 1 Table 2.3: 'no salmon processors in Fraserburgh?'

As a supplier of branded, retail-packaged salmon (and also whitefish) products, Young's (of Fraserburgh) is categorised in the study as a 'Value adding sector' company rather than simply a 'Salmon sector' processor.

P64 9.5.4 'farmed fish species'

The BDPlus comments in the report refer to the advantages of diversification into aquaculture products for processors generally reliant upon irregular supplies of wild caught seafood and for whom lack of continuity and security of supply comes at a cost (factory underutilisation). By comparison the availability of farmed fish species is predictable and reliable. Companies adding aquaculture species to their processing mix represents a useful and effective means of more fully utilising their existing resources.

In conclusion I would submit that the project represents excellent value for the council and provides the basis for attracting significant investment from the forthcoming EMFF into the local seafood processing sector.

(B) From Councillor A S Buchan to the Provost

Q: The 'Modern Trust Ports for Scotland Guidance for good governance' states at '**3.3.4 Scottish Ministers will monitor compliance with this guidance but any interested parties should play their part in bringing to Ministers' attention any examples of unaccountable behaviour in the trust ports sector.**' It also states at **2.12.1 'In line with the Government's Nolan doctrine, no chairperson should serve more than 9 years in that office'**. According to the Peterhead Harbours website, the present chair has been in place for more than 13½ years. Aberdeenshire Council is one of the most 'interested parties' in Peterhead Harbours, given that the Nolan doctrine is also at the core of the Councillors Code of Conduct, when will the Provost be bringing this matter to 'Ministers' attention'?

A: Peterhead is a Trust Port and its Constitution was approved in Scottish Statutory Instrument (SSI) 2005 No 491 - The Peterhead Port Authority Harbour (Constitution) Revision Order 2005. This document deals with many matters relating to the duties and powers of the Authority and specifically addresses the appointment and terms of office of the members of the Authority in Part 1 Section 6 and Part 1 Section 7.

The appointment of the Convenor (Chairperson) is specifically addressed in Paragraph 13. This stipulates that the Convenor may not serve as Convenor for more than three consecutive terms of three years. "Term" is further defined as excluding periods of under three years and excluding periods as Convenor served prior to the creation of the (merged) Port Authority.

The current Convenor was appointed for a period of two years, effective 1 January 2006 - as this is under three years, it does not count as a "term". The current Convenor was then re-elected for three consecutive periods of three years in 2007, 2010 and 2013. The last of these three year terms expires on 31 December 2016, so in both the context of the Port's own Constitution and The Modern Trust Ports for Scotland Guidance for good governance referred to there has been no breach. There is therefore no case for bringing this matter to the attention of Scottish Ministers.

