

REPORT TO FISHERIES WORKING GROUP – 17 JUNE 2016

PROGRESS UPDATE ON NE SCOTLAND FISH PROCESSING STRATEGY

1 Recommendation

1.1 It is recommended that the Group notes this report

2 Discussion

2.1 Jointly funded by Aberdeenshire Council and Scottish Enterprise and with input from Aberdeen City Council the NE Scotland Fish Processing Strategy was published on 11 May 2015. The aim of the study was to plan for and invest in growth in the fish processing sector in NE Scotland in the light of the new Common Fisheries Policy (CFP) and in advance of the launch of the European Maritime and Fisheries Fund (EMFF).

<https://www.aberdeenshire.gov.uk/media/11621/neprocessingstrategyreport.pdf>

2.2 The contract for the study brief was tendered via the Public Contracts Scotland website and awarded to BDA^{plus} on 11 June 2014. Through a series of interviews with 75% of all fish processing businesses in Aberdeenshire and Aberdeen City and engagement with other key players, evidence was gathered on how the industry could be helped to grow, to increase its profitability, efficiency and operating standards and sustain the long term future of fish landings and seafood processing in NE Scotland; ie:

- Processing capacity in line with future fish landings
- Fit for purpose infrastructure
- Highly resource-efficient, low cost production
- Competitive supply against imports
- Positive image for consumers and as investment opportunity
- Sustain Scotland as the main supply centre for fresh seafood in Europe
- Attract, develop and retain skilled employees
- Support delivery of national and local Food and Drink strategies

2.3 The study included a property appraisal section - to examine demand, design options and indicative costings of new premises and prospective locations for potential fish processing clusters in NE Scotland.

2.4 The draft final report and Action Plan was 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 well received and a commitment emerged to help deliver key recommendations by aligning the study with the Scottish Seafood Partnership (SSP) action plan.

2.5 The final report was presented to NESFDP members on Friday 8 May 2015. The public launch on Monday 11 May at the Buchan Braes Hotel attracted considerable media interest (BBC, STV, national and local press).

- 2.6 In July 2015 Young's announced its intentions to downsize its seafood processing and added value operations in Fraserburgh following the loss of a major retail contract. Scottish Government set up a Task Force in response. In the weeks that followed, the Task Force's work scope was broadened beyond the company in question to look at how the wider processing sector in NE Scotland could be supported, largely on the basis of the study's findings.
- 2.7 Appendix 1 to this report sets out progress to date on the Fish Processing Strategy Action Plan. Members will be kept informed of progress.

3 Financial Equalities and Staffing Implications

- 3.1 There are no current staffing or equalities implications. Future financial support to help deliver specific elements of the Action Plan will be met from the Council's Marketing and Task Force Budget using officers' delegated powers.

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Appendix 1

Progress to date on NE Fish Processing Strategy Action Plan

1 'SUSTAINABLE' SEAFOOD INDUSTRY

1.1 SEAFOOD LANDINGS

Aim: Enhance volume of supply

Outcome: Increased quotas, especially North Sea Haddock

1.2 DEVELOP SUPPLY CHAIN

Aim: Reduce producer/processor disconnect

Outcome: continuing AC support for Fish4Market advance landings website and offer of support to SSA from SE Market Driven Supply Chain team (**MDSC** – offer still on table)

1.3 DEVELOP PROCESSING CAPACITY

Aim: Creation of seafood processing hubs/support for relocation

Outcome: Ongoing – see business support below; also engagement with Aberdeen City processors to establish scope for move to Aberdeenshire/alternative city sites – funded by SE Active engagement by Fraserburgh Harbour Commissioners and Peterhead Port Authority to make suitable processing premises available

2 'SMART' SEAFOOD INDUSTRY

2.1 DEVELOP EXISTING FACILITIES

Aim: improve processors' efficiency, quality, productivity

Outcome: individual support offered from Seafish, AC, SE and BG (see 4.1)

2.2 DEVELOP EXISTING WORKFORCE

Aim: more training, new training centre/mobile provider, support for Passport to Processing scheme

Outcome: Scottish Seafood Partnership/ Seafish/Scotland Food & Drink support for training – SSA Dev Officer has been upskilled (with AC support) to delivery higher levels of advanced training. 'Blue Careers' project submitted to DG Mare 31.5.16 – covers promotion of fisheries/maritime careers, technical and managerial upskilling & also business support

2.3 DEVELOP PROCESSORS FINANCIAL AWARENESS

Aim: better financial management of processing companies

Outcome: SE Finance programme to be delivered to processors in September 2016 in association with Santander

2.4 DEVELOP LOCAL FOOD COLLABORATION

Aim: NE Collaborative Food Industry Initiative

Outcome: Proposed Opportunity North East (ONE) Food Innovation Hub

3 'DYNAMIC' SEAFOOD INDUSTRY

3.1 NEW PRODUCTS

Aim: Develop New Seafood Products

Outcome: ONE & support for individual processors from Seafish, SE and to some extent AC

3.2 NEW MARKETS

Aim: Exploit new market opportunities

Outcome: support for processors to attend events, trade shows at home & abroad from SE, SDI, AC, Seafish, Seafood Scotland

3.3 NEW WHOLESALE EXPORT MARKETS FOR SMALL SCALE PROCESSORS

Aim: Diversify customer base

Outcome: see 3.2 above

3.4 BRANDING

Aim: Develop NE as Scotland's Seafood Centre of Excellence

Outcome: Key component of 'Blue Careers' project submission to EU. Potential ONE involvement

3.5 MAXIMISE VALUE OF WASTE PRODUCTS

Aim: Recover value from processing by-product/co-product

Outcome: Scoping currently in progress involving AC, SE Sustainability Specialist and private contractor

4 'DIVERSE' SEAFOOD INDUSTRY

4.1 RETAIN/DEVELOP KEY PROCESSORS TO ENSURE SECTOR IS SUFFICIENTLY DIVERSE TO COPE WITH FUTURE LANDINGS

Aim: Enhance sector's ability to exploit emerging opportunities

Outcome: Range of business support offered by SE, Seafish, AC, BG – see below

Examples of Business Support to NE fish processors/related sector

a) via Scottish Seafood Association

Tripartite meeting in March 2016 between SSA, SE and AC to explain range of support grants, loans and assistance.

Purpose: to brief SSA Executive and especially SSA Development Officer so he can direct SSA members to appropriate support packages as he visits to deliver training/advice. Meeting also provided opportunity for SSA Executive to raise other issues being faced by members.

b) **individual support to processors from SE, AC & BG**; for example-

- One young, fast growing Fraserburgh processing company has been awarded SAB Job Creation Grant of £12,000 and a plant and equipment loan of £20,000 (approved at Area Committee on 29th March). As of w/c 23 May an export-orientated sister company has been accepted into SE account management.
- Fraserburgh Harbour has been accepted into SE account management and its electronic auction feasibility study was funded by AC
- AC BDE's working closely with BG to support new entrant processor in Fraserburgh – SAB application likely to follow. Company has been accepted into BG Growth Advisory Service and once their factory is operational they are likely to be considered for the Growth Pipeline Service.
- Premises relocation support provided to another Fraserburgh processor from AC BDE & BG – also accepted into BG Growth Pipeline

Acronyms

AC: Aberdeenshire Council

SE: Scottish Enterprise

BDE: Aberdeenshire Council Business Development Executives

SAB: Support for Aberdeenshire Business scheme

BG: Business Gateway

ONE: Opportunity North East

MACE: Business Resilience contractor