

ABERDEENSHIRE COUNCIL

INFRASTRUCTURE SERVICES COMMITTEE

WOODHILL HOUSE, ABERDEEN, 5 OCTOBER, 2017

- Present:** Councillors P J Argyle (Chair), J B Cox (Vice Chair), D A Aitchison, G Blackett, G Carr, J Ingram, P K Johnston, J Latham, D Lonchay, I Mollison, M Roy (as substitute for Councillor W A Agnew), S Smith, R Withey, and J Whyte (as substitute for Councillor C Pike)..
- Apologies:** Councillors W A Agnew, and C Pike.
- Officers:** Director of Infrastructure Services; Heads of Service Economic Development, Planning and Building Standards, Roads and Landscape Services and Waste; and Transportation; Legal Manager (Governance); Infrastructure Services Support Manager; Service Manager Business & Community; Chief Accountant, Finance; Service Development Coordinator (Infrastructure Services); Sustainability & Climate Change Coordinator; Team Leader (Specialist Services), Planning & Building Standards; Regeneration & Town Centres Manager; Archaeologist (C Herbert); Strategy Team Leader (Transportation); and Committee Officer (J McRobbie).

1. DECLARATION OF MEMBERS' INTERESTS

Councillors Argyle and Cox declared interests in Item 9, Strategic Transport Update, as substantive members of the North East of Scotland Transport Partnership, (NESTRANS); Councillor Mollison declared an interest in Item 9, Strategic Transport Update, as a substitute member of NESTRANS; and Councillor Whyte declared an interest in Item 9, Strategic Transport Update, as her family business had previously received grant funding from NESTRANS. None of the interests were considered substantive and Members indicated their intention to participate in the discussion of the Strategic Transport Update.

2. RESOLUTIONS

(A) PUBLIC SECTOR EQUALITY DUTY

In making decisions on the following items of business, the Committee **agreed**, in terms of Section 149 of the Equality Act, 2010:-

- (1) to have due regard to the need to:-
 - (a) eliminate discrimination, harassment and victimisation;
 - (b) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it.
- (2) where an Equality Impact Assessment was provided, to consider its contents and take those into account when reaching a decision.

PRESENTATION – CLAUDIA COWIE – “CARBON BUDGETING – THE NEW GREEN”

The Chair, on behalf of the Committee, welcomed Claudia Cowie, Sustainability & Climate Change Coordinator, to the meeting which thereafter heard a presentation on Aberdeenshire Council's approach to carbon budgeting, current and planned projects which would advance awareness, when decision-making, of the carbon cost as well as any fiscal implications for the Council in approving projects; and the challenges facing the Council in meeting its requirements to comply with Part IV of the Act.

There was discussion of the method of establishing charges, and tracking trends when the baseline calculations were being altered; the timescales to realise fiscal savings; efforts to salvage valuable resources from recycling; and the national recognition of the Council's innovation in carbon budgeting in the 2017 Convention of Scottish Local Authorities Excellence Awards.

The Committee **agreed**:-

- (1) to commend the Council's on-going work on carbon-budgeting; and
- (2) to congratulate Ms Cowie and fellow officers on the CoSLA recognition and wish them well at the award ceremony in Crieff that evening.

3. MINUTES

(A) MINUTE OF MEETING OF INFRASTRUCTURE SERVICES COMMITTEE OF 24 AUGUST, 2017

There had been circulated and was **approved** as a correct record, the Minute of Meeting of 24 August, 2017.

4. APP/2016/2264 - FORMATION OF BUSINESS PARK WITH ASSOCIATED INFRASTRUCTURE - LAND ADJACENT TO BALRING COTTAGE, NORTHWOODS BUSINESS PARK, MINTLAW, ABERDEENSHIRE AB42 4JN

With reference to the Minute of Meeting of the Buchan Area Committee of 5 September, 2017 (Appendix A, Item (a),) there had been circulated a report dated 12 September, 2017, by the Director of Infrastructure Services, recommending that authority to Grant Planning Permission in Principle, for the Formation of Business Park with Associated Infrastructure, Land Adjacent To Balring Cottage, Northwoods Business Park, Mintlaw, AB42 4JN, be delegated to the Head of Planning and Building Standards, subject to various conditions.

The Committee heard that a request to speak on the application had been submitted by Mr Gary Purves, Land Development Manager, Coleran Homes and **agreed** to hear Mr Purves.

The Committee heard from the Head of Planning & Building Standards of the need for additional land, beyond that already allocated in the Local Development Plan, to allow for Mintlaw to develop as a mixed, sustainable community; that the land allocated in the Plan was not appropriate for two potential users, including Coleran Homes and Aberdeenshire Council for a depot; of the potential addition of new jobs if Coleran were to relocate adjacent to their current site for 90 houses; and assurances that appropriate measures would be established to address concerns about trees and bats.

A question was asked about the proposed site and its location relative to the settlement of Mintlaw and officers advised that the current gap would be filled as Coleran developed its existing planning permission for 90 houses.

The Committee then heard from Mr Purves, on behalf of Coleran Homes. Thanking the Members for the opportunity of addressing them, he suggested that there was a need to

consider, as a material consideration in departing from the Local Development Plan, that needs of two potential main users could not be fulfilled in the site currently allocated; of his firm's desire to be co-located beside their new housing development; the creation of up to 20 Full Time equivalent jobs, with additional employment during the construction period; the intention to apply an combined heat and energy plant as part of the development; that a significant number of enquiries had already been received for the smaller industrial units proposed to be created for lease; the steps taken to address residual public concerns against the background of generally positive feedback to local consultations; and discussions with Stagecoach and the Council's Public Transport Unit about the possible reservation of land, in line with Community Council request, for a potential park and ride. Mr Purves concluded by stressing that there were no alternative suitable sites; that the site identified in the Local Development Plan was not suitable, and had had no plans submitted for its development; and requested that the Infrastructure Services Committee endorse the recommendation by the Buchan Area Committee that the application be approved.

The Committee **agreed**:-

- (1) That authority to GRANT Planning Permission in Principle be delegated to the Head of Planning and Building Standards, subject to:-
 - (a) Conclusion of discussions relating to natural heritage interests;
 - (b) Submission of a tree survey to establish the presence of bats and if so, the requirement for a Bat Licence and the granting of such by Scottish Natural Heritage (SNH); and
 - (c) Conditions covering the following matters:-

01 Details of the specified matters listed below shall be submitted for consideration by the planning authority, in accordance with the timescales and other limitations in section 59 of the Town and Country Planning (Scotland) Act 1997 (as amended). No development shall begin on the site unless all of the details listed in this condition have been submitted to, and approved in writing by, the planning authority. The development shall be carried out in complete accordance with the details approved in relation to this condition.

Specified matters:

- (a) Full details of the siting, design, layout, external appearance, an individual Transport Assessment for each individual building and use, and finishing materials of the proposed development, including waste storage areas, access roads, pedestrian linkages, vehicle parking and turning areas, phasing of the development, the location of bus stops, the Gross Floor Area (GFA) of the recycling centre (if applicable);
- (b) A landscaping scheme for the development including details of the existing landscape features and vegetation to be retained; the locations of new trees, shrubs, hedges and grassed areas; a schedule of plants including species, plant sizes and proposed numbers and density; the layout, design and materials of all hard landscaping works including walls, fences and gates; and a programme for the completion and subsequent maintenance of the proposed landscaping;
- (c) A detailed levels survey of the site and cross sections showing proposed finished ground and floor levels relative to existing ground levels and a fixed ordnance datum point;
- (d) Full details of the proposed means of disposal of surface water from the development;
- (e) A list of ground water abstractions on the site (to be agreed with SEPA).

Reason: Permission for the development has been granted in principle only and subsequent approval is required for these matters in accordance with Section 59 of the Town and Country Planning (Scotland) Act 1997 (as amended).

02. No individual building hereby approved shall be erected unless an Energy Statement applicable to that building has been submitted to, and approved in writing by, the planning authority. The Energy Statement shall include the following items:

- (a) Full details of the proposed energy efficiency measures and/or renewable technologies to be incorporated into the development;
- (b) Calculations using the Standard Assessment Procedure (SAP) or Simplified Building Energy Model (SBEM) methods, which demonstrate that the reduction in carbon dioxide emissions rates for the development, arising from the measures proposed, will enable the development to comply with the Council's Supplementary Planning Guidance on Carbon Neutrality in New Developments.

The development shall not be occupied unless it has been constructed in full accordance with the approved details in the Energy Statement. The carbon reduction measures shall be retained in place and fully operational thereafter.

Reason: To ensure this development complies with the on-site carbon reductions required in Scottish Planning Policy and the Council's Supplementary Planning Guidance - Carbon Neutrality in New Developments.

03. The proposed development shall be connected to the public water supply as indicated in the submitted application and shall not be connected to a private water supply without the separate express grant of planning permission by the planning authority.

Reason: To ensure the long term sustainability of the development and the safety and welfare of the occupants and visitors to the site.

04. Waste water from the proposed development shall be disposed of via the public sewer as indicated in the submitted application and shall not be disposed of via private means without the separate express grant of planning permission by the planning authority.

Reason: To ensure the long term sustainability of the development and the safety and welfare of the occupants and visitors to the site.

05 No works in connection with the development hereby approved (including demolition, ground works and vegetation clearance) shall commence unless a construction environmental management plan (CEMP) has been submitted to, and approved in writing by, the planning authority. The CEMP shall include the following:

- (a) Risk assessment of potentially damaging construction activities;
- (b) Identification of biodiversity protection zones;
- (c) Practical measures (both physical measures and sensitive working practices) to avoid or reduce impacts during construction (may be provided as a set of method statements);
- (d) The location and timing of sensitive works to avoid harm to biodiversity features;
- (e) The times during construction when specialist ecologists need to be present on site to oversee works;
- (f) Responsible persons and lines of communication;

- (g) The role and responsibilities on site of an ecological clerk of works, (ECoW) or similarly competent person;
- (h) Use of protective fences, exclusion barriers and warning signs.

All works carried out during the construction period shall be undertaken strictly in accordance with the approved CEMP.

Reason: In the interests of protecting the biodiversity of the environment.

06. That the area of the site shown as R1 in the Mintlaw Settlement Statement shall be retained for a district heating scheme or combined heat and power plant.

Reason: To ensure a sustainable energy supply is provided for site OP2 to the south and to comply with the aims of the Mintlaw Settlement Statement.

07. Prior to commencement of the development the following information must be provided and agreed in writing by the Planning Authority. Once agreed, the infrastructure must be installed in accordance with the plans.

- (a) the inclusion of infrastructure (such as pipelines) within the site to enable connection to the district heating scheme/combined heat and power plant for site R1 (and the subsequent requirement to connect when available); or
- (b) the safeguarding of land within the development for the future installation of infrastructure to enable connection to the district heating scheme/combined heat and power plant for site R1 (and the subsequent requirement to install such infrastructure and connect when available); or
- (c) the development of an onsite district heating system.

Reason: To comply with the aims of the Mintlaw Settlement Statement.

08. No unit approved in the future shall be occupied unless the vehicular and pedestrian accesses and all parking and turning areas submitted as part of Condition 1 have been provided and surfaced in accordance with the approved details. Each access shall be constructed to the Council's Standards for Road Construction Consent and Adoption. Once provided, all accesses, parking and turning areas shall thereafter be permanently retained as such.

Reason: To ensure the provision of a means of access to an adequate standard in the interests of road safety; and

- (2) That the reason for departing from the Local Development Plan is that it has been established that the allocated site in the Aberdeenshire Local Development Plan is not suitable for the needs of the end users of the site. The site is not constrained in any way and can be delivered at an early stage. It is therefore considered that it is appropriate to depart from the Mintlaw Settlement Statement and approve the site to provide employment opportunities in the town. While the proposal does not comply with Policy R2 Housing and employment development elsewhere in the countryside and Policy PR1 Protecting important resources, it is considered that it is acceptable to depart from the policies for the reasons stated above.

5. ABERDEENSHIRE COUNCIL ARCHAEOLOGY SERVICE STRATEGY REVIEW 2014-17 AND ARCHAEOLOGY SERVICE STRATEGY 2017-20

There had been circulated a report, dated 1 August, 2017, by the Director of Infrastructure Services, requesting Members' consideration of (a) a review of the Council's Archaeology Service Strategy for 2014- 2017, and (b) proposed aims and key priorities of the Service to

protect and promote the historic environment of North East Scotland, as illustrated in a draft Service Strategy for 2017 – 2020 and associated Team Plan.

After discussion of the work undertaken, within very constrained staffing numbers, across Angus, Aberdeen City, Aberdeenshire, and The Moray Council areas, and the Council's potential responsibilities, beyond those of owner of assets, the Committee **agreed**:-

- (1) to commend the work of staff in supporting the Archaeology strategy across the north east of Scotland;
- (2) to approve the service strategy, 2017- 2020, subject to the amendment, in paragraph 2.8. to read, "Improve management of owned assets, or assets which are the responsibility of Aberdeenshire Council, designated as Scheduled Monuments";
- (3) that Officers consider the propriety of using archaeology funds to repair or maintain car parks adjacent to important sites; and
- (4) that the report be circulated to area committees for their information.

6. NOMINATIONS TO OUTSIDE BODIES AND PARTNERSHIPS – (A) NORTH SEA COMMISSION TRANSPORT THEMATIC GROUP; (B) ENTERPRISE NORTH EAST TRUST (ELEVATOR UK); AND (C) ABERDEEN INTERNATIONAL AIRPORT CONSULTATIVE COMMITTEE.

With reference to the Minute of Meeting of 1 June, 2017, (Item 6,) there had been circulated a report dated 18 September, 2017, by the Director of Business Services, reporting the need to consider the appointment to vacancies which had arisen in respect of Council representation to (a)The North Sea Commission Transport Working Group, in a decision-making capacity; (b) Enterprise North East (ELEVATOR UK), in a decision-making capacity; and (c) Aberdeen International Airport Consultative Committee in an observer capacity.

The Committee **agreed** the undernoted appointments:

North Sea Commission Transport Working Group	Cllr Wallace (decision-making);
Enterprise North East (ELEVATOR UK)	Cllr Ross (decision-making); and
Aberdeen International Airport Consultative Committee	Cllr Roy (observer).

7. INFRASTRUCTURE SERVICES QUARTER 1 2017 – 2018 PERFORMANCE REPORT (ABERDEENSHIRE PERFORMS)

There had been circulated a report dated 15 September, 2017 by the Director of Infrastructure Services, reporting on the Infrastructure Services Performance, (Quarter 1, 2017 – 2018) and the Service Plan update (Aberdeenshire Performs).

Having noted the revised format of reporting, Members heard from the Director on the principal issues highlighted by the report. There was discussion of the expected date for clarification from the Scottish Environment Protection Agency (SEPA) in respect of waste recalculations; and staff recruitment and retention to meet demand in planning and building standards.

The Committee **agreed**:

- (1) to acknowledge the good performance achieved April - June 2017, (Quarter 1);
- (2) to note the context and reasons for those measures performing below expectations April - June 2017;
- (3) to note the publication of the complete April to June 2017 Performance Report and Service Plan Update on Ward Pages and on the Council's website;

- (4) to note progress made with the actions set out in the Infrastructure Service Plan 2017-2020; and
- (5) that the Director to continue to report, by exception, to Committee quarterly on performance measures against service objectives and six monthly on progress in delivering all aspects of the service plan.

8. REVIEW OF FEES AND CHARGES

With reference to the Minute of Meeting of Council of 11 February, 2016 (Item 6), there had been circulated a report dated 5 September, 2017, by the Director of Infrastructure Services giving details of current charges levied by the service, both statutory and discretionary, proposing changes to the charges and providing the rationale for such proposals, and indicating that the proposals would be subject to public consultation before final approval. Having heard in detail from the Support Services Manager, there was discussion of several aspect of burial charges and associated processes.

The Committee **agreed**:-

- (1) to approve for consultation the proposed charges, subject to those for burial costs to be applied over two years; and
- (2) to await a further report in January, 2018.

9. STRATEGIC TRANSPORT UPDATE

There had been circulated a report dated 11 September, 2017, by the Director of Infrastructure Services providing an update on strategic transport matters, coordinated across North East Scotland by the North East of Scotland Transport Partnership (NESTRANS).

There was discussion of potential benefits to the A947 corridor, linked to improvements to the A96; alterations to ScotRail rolling stock and its impact on Aberdeenshire services, including CrossRail; the challenges of encouraging walking to school in areas where there were no paths along major routes; the new site in Banff for the electric vehicle charging point; land acquisition issues in developing cycle routes; and the location of new cycle shelters.

The Committee **agreed**:-

- (1) to reaffirm Council's stance on maximising benefits to A947, linked to A96 dualling;
- (2) that officers report detailed timings for the cascade refurbished ScotRail stock to North East Scotland and the impact on the Aberdeenshire CrossRail potential;
- (3) that a presentation to Committee by ScotRail be considered;
- (4) to note the scheduled presentation to Council in January, 2018, by Transport Scotland;
- (5) that officers revert to Cllr Mollison on the provision of cycle shelters at Newtonhill Library;
- (6) to endorse the progress and developments undertaken through NESTRANS; and
- (7) .to receive further updates, as appropriate, on the implementation and delivery of the Aberdeenshire Local Transport Strategy.

10. PROGRAMME FOR WALKING, CYCLING AND SAFETY INITIATIVES

With reference to the Minute of Meeting of 1 June, 2017, (Item 13,) there had been circulated a report dated 7 September, 2017 by the Director of Infrastructure Services, (a) containing the Area Committees' feedback on the proposed programme of works on walking, cycling and safety issues and (b) requesting Members' approval of the programme.

After discussion of issues which could be barriers to works starting, the Committee **agreed**:-

- (1) to approve the programme for walking, cycling and safety initiative works, as detailed in Appendix 2 to the report; and
- (2) that officers revert to Ward Councillors on the timescale for implementation of the Logie Coldstone path works.

11. DEVELOPING EXCELLENCE IN OUR NORTH COAST COMMUNITIES – REGENERATION 6 MONTHLY REPORT

With reference to the Minute of Meeting of 16 March, 2016, (Item 19,) there had been circulated a report dated 5 September, 2017 by the Director of Infrastructure Services, providing an update on progress with the Regeneration Strategy, “From Strategy to Action: Developing Excellence in our North Coast Communities”, concentrated on the four northern towns of Banff, Macduff, Fraserburgh, and Peterhead.

After discussion of appropriate performance measures, beyond fiscal spend; officers’ confidence in achieving budgeted spend in the current financial year; and the recent successful decisions on Business Improvement Districts (BIDs) in Inverurie and Peterhead, the Committee **agreed**:-

- (1) that future reports consider incorporating other key indicators, in addition to spend, to track successful implementation;
- (2) to note that project reports to utilise some of funding would be submitted to appropriate area committees in early cycles; and
- (3) that officers provide a further update in six months’ time.

12. FOOTWAY WEED CONTROL – MEMBER PROMOTED ISSUE

There had been circulate a report dated 22 September, 2017 by the Director of Infrastructure Services (a) reporting a Member Promoted Issue, received from Cllr Topping, expressing concerns in relation to the current footway weed treatment operation and programme, and (b) requesting Members’ consideration of the issue in the context of emerging options for future footway weed control operations.

There was agreement that the issue required to be reconsidered and discussion of the various options which officers were already investigating.

The Committee **agreed** that Officers report back to future committee on costed options for footway weed control, noting (a) Members’ expressed preference for local teams and (b) requirement for workforce flexibility to undertake work at optimum times.

ITEMS FOR NOTING

The Committee had before them and **noted**:

- (a) Draft Minute of Meeting of North East Scotland Fisheries Development Partnership of 10 February, 2017, as detailed in Appendix A hereto.
- (b) Draft Note of Meeting of Fisheries Working Group of 17 February, 2017, as detailed in Appendix B hereto.
- (c) Draft Minute of Meeting of North East Scotland Agricultural Advisory Group of 22 February, 2017, as detailed in Appendix C hereto.

NORTH EAST SCOTLAND FISHERIES DEVELOPMENT PARTNERSHIP

WOODHILL HOUSE, ABERDEEN, 10th FEBRUARY, 2017

Present: **Aberdeenshire Council** – Councillors A S Buchan, C C Buchan, P K Johnston, F McRae (substitute for Cllr A Allan) and C Nelson (substitute for Cllr Argyle)
Aberdeen City Council – Councillors J Corall and A Finlayson
Moray Council – Councillors M Howe and G McDonald.
Members of the Scottish Parliament – P Chapman and M Foley (on behalf of M Watt)
Members of the European Parliament – I Hudgton
Fraserburgh Harbour Commissioners – T Boyle
North East Scotland Fishermen’s Training Association – J Buchan
Peterhead Port Authority – S Paterson
Scottish Enterprise – G Ford
Scottish Fishermen’s Federation – B Armstrong
Scottish Pelagic Fishermen’s Association – I Gatt
Scottish Pelagic Producers Association – I McFadden
Scottish Seafood Association – M Bates
Seafish Industry Authority – I Land
Seafood Scotland – P Hughes

Apologies: Councillors A M Allan and P Argyle - Aberdeenshire Council; Councillors B Crockett and A Malone - Aberdeen City Council; B Bowman MSP; A Burnett MSP; G Dey MSP; M Evans MSP; J Fitzpatrick MSP; L Kerr, L Macdonald MSP; M McDonald MSP; J Marra MSP; G Martin MSP; S Robison MSP; M Rumbles MSP; K Stewart MSP; S Stevenson MSP; R Thomson MSP and M Watt MSP; D Martin MEP; A Smith MEP and C Stihler MEP; A Salmond MP; S Donaldson MP and E Whiteford MP. D Anderson - Aberdeen Fish Producers Organisation; W Farquhar – British Boatbuilders Association; M Holmes - HIE Moray; R Stevenson, Lunar Fish Producers Organisation; N Bailey – Marine Scotland Science; L Duguid - North Sea Advisory Council; A Birnie - North East of Scotland Fishermen’s Organisation; I Maddox - North & East Coast Regional Inshore Fisheries Group; I Laidlaw - Peterhead Port Authority; D Fordyce - Scottish Enterprise; F Lord and M Morrison - Scottish Fishermen’s Federation; J Anderson - Scottish Fishermen’s Organisation; L Hope - Scottish Maritime Academy NESCOL; A Wiseman - Scottish Pelagic Fishermen’s Association; D Leiper - Scottish Seafood Association; J Mouat and M Park - Scottish White Fish Producers’ Association Ltd; T Pickerell and J Sparks - Scottish Industry Authority;

Officers: D McDonald - Industry Support Executive (Rural & Maritime); Anna Ziarkowska – Assistant Committee Officer.

In Attendance: J Russell – Anderson Solutions (Consulting) Ltd; G Humphries – KIMO UK and K Findlay, Press and Journal.

1. WELCOME, INTRODUCTIONS AND DECLARATIONS OF INTEREST

In the absence of the Chair, Vice Chair - Ian Gatt welcomed all present to the meeting.

Members were asked if they had any interests to declare in terms of the Councillors' Code of Conduct and no declarations were intimated.

2. PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Partnership agreed, in terms of Section 149 of the Equality Act 2010:-

- (1) to have due regard to the need to:-
 - (a) eliminate discrimination, harassment and victimisation;
 - (b) advance equality and opportunity between those who share a protected characteristic and persons who do not share it, and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it; and
- (2) to consider, where an equality impact assessment had been provided, its contents and to take those into consideration when reaching a decision.

3. MINUTE OF MEETING OF 4th NOVEMBER, 2016

There had been circulated and was **approved** the Minute of Meeting of 4th November, 2016.

4. MATTERS ARISING

Derek McDonald confirmed that the presentations from the previous meeting were available online and that Dr Angus Garrett would attend the future meeting of the Group after the summer to provide update on Brexit implications for fishing industry.

Thereafter, the Vice Chair advised Members about two positive actions since the last meeting: the establishment of the Cross Party Fisheries Working Group at the Scottish Parliament and call for debate on fisheries in the Scottish Parliament.

Action point 1: Brexit and the UK Fisheries Industry - update to Members at future meeting.

5. PRESENTATION: BREXIT UPDATE BY BERTIE ARMSTRONG, CHIEF EXECUTIVE AT SCOTTISH FISHERMEN'S FEDERATION

The Group heard a presentation from Bertie Armstrong, CEO of the Scottish Fishermen's Federation on the implications from Brexit for the fishing industry. Mr

Armstrong explained that the default position under international law would be the return of control of fishing in the UK Exclusive Economic Zone (EEZ) which he stated would allow control of access for the benefit of the nation. Reference was made to management change; the need for a co-ordinated approach by the UK governments; that more than half of catches in the UK EEZ were currently by non-UK fishing boats; the UK's strong negotiating position on fisheries; that the UK would become a 'coastal state' in its own right; benefits for local industry and the economy; the continuing need for effective quota allocation, for continuing investment in fisheries infrastructure, sustainability and environmental management; challenges in relation to the need for resources and commitment from UK government, a period of market change, and the need for sufficient access to manpower resources. Brexit was described as a 'sea of opportunity' for the fishing industry with the opportunities strongly outweighing the challenges.

Discussion then followed in relation to the implications of Brexit for fishing and the wider fisheries industry with reference made to control of access, benefits for coastal communities, Brexit negotiations, commitments from the Governments at Holyrood and Westminster, investment in marine research, access to labour; and new infrastructure required to express the economic potential of the opportunity throughout the seafood supply chain.

Mr Gatt thanked Mr Armstrong and the Group **agreed** to note the content of the presentation.

6. PRESENTATION: SEAFISH REPORT ON UTILISATION OF 2015 EU FAROE BILATERAL AGREEMENT BY JENNIFER RUSSELL, ANDERSON SOLUTIONS (CONSULTING) LTD

The Chair introduced Jennifer Russell from Anderson Solutions (Consulting) and invited her to deliver her presentation on the Seafish Report on Utilisation of 2015 EU-Faroe Bilateral Agreement. It was reported that the Seafish Pelagic Industry Issues Group had asked Seafish to undertake an independent analysis of the utilisations by the UK and rest of EU of the 2015 EU-Faroe bilateral agreement and the utilisation of the agreement by Faroe. Ms Russell provided the Group with an overview of the bilateral access arrangements set up in 2015 between EU and Faroe Islands which allowed the latter to catch UK fishing stocks. The Group was given detailed information in respect of the exchange of quota between the two parties and access entitlements under the agreed framework which enables each party to fish for some of their own pelagic quota in the other party's waters. Ms Russell advised that the agreement had disadvantaged the UK economy as – for biological reasons - fish caught in EU waters were of superior quality to that around Faroe; accordingly the Faroese fleet had fully exploited the opportunity and was offering a higher quality product from EU waters than it could offer from its own to markets long- established by EU processors.

Ms Russell indicated that the industry representatives have strong concerns about a perceived lack of fairness and the knock-on impacts of the agreement on Scottish and UK businesses, particularly the processing sector. The report concluded that Faroese vessels' freedom under the bilateral agreement to catch higher quality mackerel from EU waters, when combined by a Faroese Government requirement to sell all Faroese landings to Faroese processors, potentially at below market price, generates an unfair advantage for the Faroese seafood sector. Indeed the value of landings in 2015 under

the agreement by Faroese vessels was estimated to be worth £30.5M whereas the value to the EU fleet (from Faroese waters) was £4.8M, with the UK share at £1.9M.

During discussion, Members recommended communicating the research findings to the Governments at Holyrood and Westminster to seek an end to the bilateral agreement, as it has no value for UK.

Action point 2: NESFDP to lobby Holyrood and Westminster to urge the EU to end the Bilateral Agreement.

Thereafter, the Group thanked Ms Russell for her interesting presentation and **agreed** to note the content of the presentation.

7. PRESENTATION: FUNDING PRACTICAL ENVIRONMENTAL PROJECTS AFTER EMFF BY GRAHAM HUMPHRIES, NATIONAL CO-ORDINATOR AT KIMO UK

The Group heard a presentation from Mr Graham Humphries – National Co-ordinator at KIMO UK on Funding Practical Environmental Projects after EMFF. Mr Humphries advised that KIMO is the Local Authorities International Environmental Organisation whose primary goal is the elimination of pollution from the Northern Seas. Reference was made to the KIMO objectives and priorities; current action areas including Marine Litter, Nuclear Emissions & Transportation, Pollution from Oil and Gas Industry, Maritime Safety, Dumping at Sea and Hazardous Substance; KIMO UK ongoing projects, programmes and future aims.

Thereafter, Mr Humphries outlined the potential problems with securing project funding beyond 2020 following Brexit. It was reported that local authorities' decreasing budgets in combination with a fall in multi-annual private sector support put significant pressure on KIMO funds. Mr Humphries presented a summary of EMFF funding opportunities currently available, advising that KIMO UK has benefitted greatly from EU support but this will come to an end after Brexit, with little clarity currently on what a future UK maritime support programme might look like. Good forward visibility would be required to avoid a hiatus in work and loss of capacity in the voluntary sector and research. Following discussion, the Group **agreed** to note the information provided and the Vice Chair thanked Mr Humphries for his presentation.

8. BULLETIN REPORT ON DEFRA PROPOSALS TO BAN THE USE OF MICROBEADS IN COSMETICS

There had been circulated a report dated 9th February, 2017 by the Head of Economic Development which provided Members with an overview of the DEFRA proposals to ban the use of plastic microbeads in cosmetics and personal care products in the UK and also to gather evidence on the extent of the environmental impacts of microbeads found in other products to inform future actions to protect the marine environment. Members were informed that consultation closes on 28th February 2017 and were invited to provide comments and suggestions to the proposed response by NESFDP which was attached to the report.

After consideration, it was **agreed** that any comments or feedback as to the consultation should be forwarded to Derek McDonald by 28th February, 2017.

9. BULLETIN REPORT: SCOTTISH SEAFOOD CENTRE OF EXCELLENCE PROJECT

Derek McDonald provided the Group with a verbal update on the Scottish Seafood Centre of Excellence Project. Project partners include Aberdeen and Grampian Chamber of Commerce, North East Scotland College, Scottish Enterprise, Skills Development Scotland, Seafish, the Scottish Seafood Association, Scottish Fishermen's Federation, Fraserburgh harbour and local seafood businesses, all of whom are committed to delivering the Centre of Excellence. Mr McDonald reported that discussions had been held with various parties, including fishing producer organizations, seafood industry representatives, public agencies and Marine Scotland, to define the scope of the project and how to resource it. Bids to the European Union Executive Agency for Small and Medium-sized Enterprises and the Coastal Community Fund had been unsuccessful. Aberdeenshire Council had agreed to fund a business case assessment and procurement exercise was ongoing.

During discussion, the Group agreed that the creation of a Centre of Excellence for the seafood industry in the North East would be beneficial for the sector as a whole – fostering growth in existing businesses and encouraging new enterprises into the area. Mr McDonald advised that Members will be kept informed about the progress at the next meeting of NESFDP.

After consideration, the Working Group **agreed** to note information provided in the update.

Action point 3: Scottish Seafood Centre of Excellence Project progress update to Members at next meeting.

Action point 4: presentations to be posted on NESFDP webpage and members to be advised accordingly

10. INDUSTRY REPORTS AND ROUND TABLE ROUND-UP

The Partnership **noted** updates from the industry representatives in respect of their areas of responsibility and interest.

11. ANY OTHER BUSINESS

Councillor members noted that it was the last meeting of NESFDP before the local elections in May 2017 which may affect the Group's composition and attendance at future meetings. Elected Members expressed their gratitude to the Group for the many informative presentations over the years and the opportunity to contribute to the work of NESFDP on behalf of the local fisheries sector.

12. DATE OF NEXT MEETING

It was **agreed** that the next meeting of the Partnership would take place on a Friday afternoon in September, 2017, with the date to be confirmed.

APPENDIX B

FISHERIES WORKING GROUP

COMMITTEE ROOM 1, WOODHILL HOUSE, ABERDEEN

FRIDAY, 17th FEBRUARY, 2017

Present: Councillors C C Buchan (Chair); R Cassie (substitute for Councillor S Smith); A Gardiner; J Gifford (substitute for Councillor M Roy); P K Johnston, and F McRae.

Apologies: Councillors A S Buchan, M Roy, S W Smith, and M Watt.

Officers: Derek McDonald, Industry Support Executive (Rural and Maritime); Michael Bates, SSA Development Officer; Ian Hay, Project Manager East Grampian Coastal Partnership; Ian McFadden, Scottish Pelagic Producers Association; James Buchan, Scottish Seafood Association; Anna Ziarkowska, Assistant Committee Officer.

1. DECLARATION OF MEMBERS' INTERESTS

The Chair asked members if they had any interests to declare in terms of the Councillors' Code of Conduct. No interests were intimated.

2. PUBLIC SECTOR EQUALITY DUTY

In making decisions on the undernoted items of business, the Working Group **agreed**, in terms of Section 149 of the Equality Act, 2010:-

- (1) to have due regard to the need to:-
 - (a) eliminate discrimination, harassment and victimisation;
 - (b) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it.
- (2) where an Equality Impact Assessment was provided, to consider its contents and take those into account when reaching their decision.

3. MINUTE OF MEETING OF 23rd SEPTEMBER 2016

The Minute of Meeting of 23rd September, 2016, had been circulated and was **agreed** as a correct record.

4. MATTERS ARISING

Derek McDonald provided the Group with a verbal update on the Training for Young Fishermen Project. It was also reported that Mr Jimmy Buchan was attending the meeting in his new capacity as part-time Business Manager of the Scottish Seafood Association.

Derek McDonald distributed a paper to the Group providing the update on the work of the North East Scotland Fisheries Local Action Group (NESFLAG).

5. UPDATE ON SCOTTISH SEAFOOD ASSOCIATION ACTIVITY BY MICHAEL BATES – SSA DEVELOPMENT OFFICER

Michael Bates, SSA Development Officer, provided the Group with an overview of the SSA work. He advised that SSA is the national representative body for the Scottish seafood processors which is committed to safeguard the viable and long-term future of the sector and the wider fishing industry. SSA supports its members by representing them on policy issues, by working in partnership with other industry bodies, through the provision of bespoke services which benefit the individual businesses and by raising awareness of the world-class excellence of Scottish seafood. Mr Bates advised that SSA provide a united voice for its members and for the wider processing sector in the policy and legislation arenas through effective dialogue, consultation, collaboration and partnership working. It was further reported that SSA achieved a world first when it became the first association of its kind to achieve group certification through the Marine Stewardship Council (MSC) Chain of Custody programme. A number of members have already received MSC Certification in order to meet the growing demand to supply seafood from sustainable sources. SSA expects to add new species to the scheme in the near future. It was observed that the cost of gaining individual certification was prohibitive for many small and medium-sized processors, but is much more affordable under the group certification scheme offered by the SSA. The impetus for group certification came in response to high demand for supplies of MSC certified seafood, particularly Scottish haddock – the mainstay of fish & chip shops and restaurants.

Mr Bates informed FWG members that well-known ‘Trawlerman’ Jimmy Buchan had recently been appointed as new Business Manager at SSA, as Mr Bates is taking up a new post as Technical Manager at Seafood Ecosse Ltd in Peterhead. It was reported that Mr Bates will continue to work with the SSA during a transition period to complete ongoing projects and training commitments and to ensure a smooth handover. It was also highlighted that 2017 Scottish Skipper Expo will be held at Aberdeen Exhibition and Conference Centre on 26th – 27th May and will again feature a seafood bar in association with SSA to offer visitors cooking demonstrations and tastings to promote local seafood. Mr Bates indicated that there are ongoing discussions with **Liz McIntyre - new Principal and Chief Executive at NESCOL - to engage with college students at the event to provide them with a practical insight into the sector.**

Mr Bates continued by discussing the ‘barriers to entry’ for those wishing to set up a new seafood processing business, specifically access to finance, to suitable premises and the scarcity of skilled staff. Questions then followed from members on how local processors could be supported and helped with the marketing of their products. The Group considered the potential for further collective, pro-active and innovative engagement with various partners. Given the potential opportunities arising from Brexit it was noted that a coherent approach in support of the extended fisheries supply chain – from net to plate - was essential. Aberdeenshire Council’s willingness to assist via its Regeneration Strategies and Scottish Seafood Centre of Excellence Project was appreciated by SSA.

Thereafter, the Chair thanked Mr Bates for his informative update and the Group **agreed** to note the information provided in the update.

6. UPDATE ON PELAGIC PROCESSING ISSUES BY IAN MCFADDEN – SCOTTISH PELAGIC PRODUCERS ASSOCIATION

Mr Ian McFadden is Chair of the Scottish Pelagic Processors Association and provided the Group with an overview on the issues facing the pelagic processing industry, specifically in relation to the shortage of pelagic landings from Scottish vessels which is impacting adversely upon Scottish pelagic processors and which has already led to job losses. He indicated that there are five major pelagic processors in the UK, four of which are based in Aberdeenshire (one in Fraserburgh, three in Peterhead – and one on Shetland). All are major employers. It

was reported that several Scottish pelagic vessels are choosing to land their catches in Norway, to the extent that less than 50% of Scottish pelagic quota is now available to domestic processors which is starving them of product and causing them to lose business.

Mr McFadden advised that Scottish Government was well aware of the issue and was committed to securing for Scottish processors a higher share of the landings arising from Scottish quota. There is, he advised, an immediate supply issue which, if not addressed urgently, could damage the long-term capacity of the Scottish pelagic processing industry. It was reported that pelagic processing sector representatives have a meeting with the Scottish Ministers on 1st of March to highlight these concerns and to seek action to increase the level of pelagic landings in Scotland.

The Group noted the importance of these concerns and **agreed** to contact the Scottish Government to urge the Cabinet Secretary to take all necessary steps to increase the level of supply of pelagic stocks to indigenous processors in the short-term as well as the longer-term – including the selective deployment of mackerel quota for 2017 which is currently unallocated (12%).

Action point 1: Write to Mr Fergus Ewing - Cabinet Secretary for the Rural Economy & Connectivity to highlight the serious supply shortage of pelagic stock.

7. EAST GRAMPIAN COASTAL PARTNERSHIP PRESENTATION BY IAN HAY - PROJECT MANGER

The Chair invited Ian Hay – Project Manager - to deliver a presentation on East Grampian Coastal Partnership (EGCP). Mr Hay provided the Group with an overview of the organisation and stated that partnership is a voluntary group of individuals, with representatives from local authorities, industry, conservation bodies, recreation and tourism groups, local residents and many others with an interest in the future wellbeing of the local coastline. It was further reported that the partnership was set up to assist in the delivery of Integrated Coastal Zone Management between Fraserburgh and St Cyrus and to help protect the natural coastal resources for future generations. Mr Hay outlined the strategic aims of the partnership which include advancing environmental protection and improvement; to promote education relating to the coastal environment; and to preserve the cultural heritage of the coast of North East of Scotland through the delivery of integrated coastal management projects and programmes and working in partnership with other bodies to achieve these aims.

Mr Hay continued by discussing the major projects of the partnership including 'Making the Most of the Coast'; 'Marine Spatial Planning at the regional scale'; 'Marine Litter' and 'Discover East Grampian Coast website'. He indicated that the partnership is involved in a wide range of activities including promoting local seafood and beach cleans which were very successful in recent years. Mr Hay also reported that Partnership's Business Plan for 2016 – 2018 focuses on Marine Planning Partnership, developing the Seafood trail in the North East and ensuring greater community engagement in clean beach project.

Thereafter, the Chair thanked Mr Hay for his informative update and the Group **agreed** to note the information provided.

8. BULLETIN REPORT ON DEFRA PROPOSALS TO BAN THE USE OF MICROBEADS IN COSMETICS

There had been circulated a report dated 9th February, 2017 by the Head of Economic Development which provided Members with an overview of the DEFRA proposals to ban the use of plastic microbeads in cosmetics and personal care products in the UK. The report detailed that DEFRA had issued a consultation on proposals to ban the manufacture and sale in the UK of cosmetics and personal care products containing microbeads and also to gather

evidence on the extent of the environmental impacts of microbeads found in other products to inform future actions to protect the marine environment. Members were informed that consultation closes on 28th February 2017 and invited to take opportunity to provide their comments and feedback on consultation questions and the proposed response which was attached to the report.

After consideration, it was **agreed** that any comments or feedback as to the consultation should be forwarded to Derek McDonald by 28th February, 2017.

9. BULLETIN REPORT ON PROMOTING SEAFOOD CAREERS AT ABERDEEN LEARNING FESTIVAL

There had been circulated a report dated 8th February, 2017 by the Head of Economic Development which provided Members with an update on Promoting Seafood Careers at Aberdeen Learning Festival. The report detailed that annual Aberdeen Learning Festival will take place on 14th February, 2017 at AECC with a view to enable teachers from across North East Scotland to meet and engage with their pupils' prospective employers and industry sectors to enhance their awareness of skills required and potential career paths. Aberdeenshire Council had booked a stand to promote seafood careers in association with the Scottish Seafood Association.

After discussion, Members **agreed** to note the information provided in the report.

10. VERBAL UPDATE ON FISHERIES/BREXIT

Derek McDonald provided the Group with a verbal update on the potential impact of the Brexit vote on the wider fisheries industry in the North East of Scotland. Members were informed that at the last meeting of the North East Scotland Fisheries Development Partnership on 10th February, Bertie Armstrong – Chief Executive of the Scottish Fishermen's Federation, gave a presentation on the implications for the UK fishing industry describing potential challenges and opportunities in coming years. It was also reported that the House of Lords' European Union Sub-Committee has published its report on Brexit and fishing which is a very detailed piece of work.

After consideration, the Group **agreed** to note the information provided in the update.

11. VERBAL UPDATE ON SCOTTISH SEAFOOD CENTRE OF EXCELLENCE PROJECT

Derek McDonald provided the Group with a verbal update on the proposed Scottish Seafood Centre of Excellence Project. Partners include Aberdeen and Grampian Chamber of Commerce, North East Scotland College, Scottish Enterprise, Skills Development Scotland, Seafish, the Scottish Seafood Association, Scottish Fishermen's Federation, Fraserburgh harbour and local seafood businesses. Mr McDonald reported that following discussions with relevant parties, including fishing producer organisations, seafood industry representatives, public agencies and Marine Scotland, a business case assessment is to be commissioned. The procurement exercise is ongoing at the moment.

During the discussion, the Group supported the creation of a Centre of Excellence for the fisheries industry in the North East to encourage seafood sector growth in the area. Mr McDonald advised that Members will be kept informed about the progress at the next meeting of Fisheries Working Group.

After consideration, the Working Group **agreed** to note information provided in the update.

Action point 2: Scottish Seafood Centre of Excellence Project progress update to Members at future meeting.

12. ANY OTHER BUSINESS

The Group discussed the apparent disconnect between the view of working fishermen and marine scientists on the reliability of data gathered to underpin fish stock assessments and in turn, quota. A new initiative is under preparation to bridge the gap.

Mr McDonald informed Members that he will provide an update on the project – Fishing into the Future - at the next meeting.

Action point 3: Fishing into the Future Project report to Members at next meeting.

13. DATE OF NEXT MEETING

To be arranged.

NORTH EAST SCOTLAND AGRICULTURE ADVISORY GROUP

COMMITTEE ROOM 5, WOODHILL HOUSE, ABERDEEN

WEDNESDAY, 22 FEBRUARY, 2017

- Present:** **Aberdeenshire Council** – Councillors W Howatson (Chair), D Stewart, A Norrie and I Taylor (substitute for Cllr Pirie)
Aberdeen City Council – Councillors J Corall
Angus Council – Councillors B Myles and L Devine
Moray Council – Councillors G Alexander
Aberdeen University - Profs Ken Thomson and Deborah Roberts
SGRPID - J Kinnaird
RSPB – Karen Cunningham
SLE – Eilidh Mackechnie
NFUS - Lorna Paterson, Roddy Catto and Jonnie Hall
Scottish Enterprise – G Ford
Opportunity North East – P Cook
SLE – David Fyffe
SAC Consulting - Alister Laing
Royal Institution of Chartered Surveyors – Matthew Havers
- Officers:** D McDonald, Industry Support Executive (Rural & Maritime)
J Davidson, Integrated Land Use Project Officer,
H Tasker (Angus Council)
S Stuart, Marketing & Events Officer (Economic Development)
- Apologies:** Councillor H Partridge, A Duncan, K Farquhar and L Pirie (Aberdeenshire Council)
Councillor J Morrison, R Grant and G Lawrence (Aberdeen City Council)
Councillor G Coull (Moray Council)
Councillor J Gaul and D Lumgar (Angus Council)
Krysten Black - SRUC
I Bonavino - Aberdeen & Grampian Chamber of Commerce
Larry Irwin - Royal Institution of Chartered Surveyors
J Nott - Forestry Commission Scotland
Bill Slee and Lee-Ann Sutherland - James Hutton Institute
K Patrick - LANTRA
Peter Wood - Ringlink Services Ltd
Jo Robinson - Visit Scotland
Andrew Connon and David Winton - NFUS
Peter Wright - SEPA
David Smart - RICS
Roddy Matheson – Service Manager Industry Sectors, Economic Development

1. WELCOME, INTRODUCTIONS AND DECLARATIONS OF INTEREST

The Chair welcomed everyone present to the meeting. Members were asked if they had interests to declare. No declarations of interest were intimated.

2. MINUTE OF MEETING OF 23rd NOVEMBER, 2016

The Minute of Meeting of 23rd November, 2016 was circulated and amendments were noted. The minutes were otherwise **approved** as a correct record.

3. MATTERS ARISING

Derek McDonald went through the action sheet from the last meeting to provide an update on progress in respect of each point. There were no further matters arising.

4. PRESENTATION ON SCOTTISH FARMING AND BREXIT BY JONNIE HALL - NFUS

The Chair invited Jonnie Hall - Director of Policy & Member Services at NFUS to deliver a presentation on a Future Support Package for Scottish Agriculture and the implications of Brexit for Scottish farming. Mr Hall gave a brief overview of agriculture in Scotland and observed that withdrawal from the EU would mean withdrawal from the CAP system. Scottish agriculture will therefore need a new support package adequately funded and properly targeted to meet the needs and objectives of farmers and crofters. He noted that Scottish agricultural sector continues to rely heavily on support payments, both direct and indirect. Production costs and markets conspire to make support even more important. From 2014 to 2020, some €4.6 billion in CAP support was allocated to Scottish farmers, €4.1Bn of which was direct, around 16.3% of the UK total.

Provisional figures for 2016 indicate around 66% of Total Income from Farming Estimate (TIFF) was derived from CAP (£498 million of £749 million). After Brexit, if farm support is delivered in line with the Barnett Formula, Scotland's share of support will halve to c.8%.

Although an overarching UK Agricultural Policy Framework looks likely post Brexit, Mr Hall commented that it also seems likely that there will be sufficient flexibility for the distinctive farming characteristics within the Devolved Administrations to be accommodated. Scotland in particular has a hugely diverse agricultural landscape - by farm size, type and mix of enterprises - which will require a complex, multi-layered approach which works for the whole sector.

Mr Hall informed Members that agricultural economy is driven by three forces: the market, support and costs - with a heavy dependence on support. Although the CAP payments are vital to the agricultural sector, the basis upon which they are distributed is flawed and Brexit would provide an opportunity for a policy which better fits Scotland.

Flaws include inflated land values, stifled investment, innovation and productivity and thwarted new entrants. The policy had also encouraged agricultural inactivity and under-activity and driven short-termism. New support mechanisms to promote greater resource efficiency would be required to drive every agricultural business forward.

Mr Hall went on to propose principles of Future Agricultural Support including supporting active farmers, risk-takers and decision-makers; stabilising incomes and meeting basic standards; sustaining less favoured or disadvantaged areas; fostering innovation for new entrants and developing businesses; securing new investments; and smarter delivery of environmental and public benefits. The new policy framework must facilitate managed and progressive change and not chaos. During discussion Members expressed their concern over the future prospects for and profitability of the agricultural sector.

The Chair thanked Mr Hall for a lively and informative presentation. Thereafter, it was **agreed** to note the information provided in the presentation.

5. PRESENTATION ON FARM ADVISORY SERVICE BY ALISTER LAING – SAC CONSULTING

The Chair invited Alister Laing – Business Manager at SAC Consulting to deliver a presentation on Farm Advisory Service. Mr Laing introduced the newly launched Farm Advisory Service (FAS) to Members and informed that it was designed to provide information

and access to variety of resources to Scottish farmers with a view to increasing the profitability and sustainability of their farms and crofts. FAS is co-funded by the Scottish Government and EU and consists of a One-to-One programme (managed by Ricardo AEA and including specialist advice, mentoring for New Entrants, and Carbon Audits); and a One-to-Many programme managed by SAC Consulting which provides a National Advisory Service, Crofter and Small Farm Advisory Service and National Advice Hub. The One-to-Many Programme includes events, workshops, discussion groups, benchmarking data and publications and involves three broad themes: Cross Compliance, Climate Change & Environment and Business Efficiency & Viability.

Mr Laing outlined the FAS 2017/8 programme which covers Animal Health & Welfare, Soil Nutrient Network Farms, Water Resource Management, Climate Change Adaptation and Mitigation, Business Resilience, New Entrants, Crop Health and Farm Woodlands. Members were also informed that SAC operates a National Advice Hub which includes a comprehensive website featuring online tools and information on grant applications, e.g. for Integrated Land Management Plans and Carbon Audits. Particularly useful is a farm events calendar and there is also a dedicated telephone advice line.

Mr Laing advised that Scottish Government had sought an integrated, holistic, cross-cutting and innovative FAS and that this would be met through the programme of events and publications to engage successfully with its target audience.

Questions then followed on how SAC Consulting planned to engage with hard-to-reach elements of the agriculture sector, how success would be measured, and how Brexit will affect project funding. Members will be kept informed of progress at a forthcoming meeting of NESAAG.

After discussion, Chair thanked Mr Laing for a detailed and informative presentation and Members **agreed** to note the information provided in the report.

Action point 1: Scottish Farm Advisory Service progress update to Members at future meeting.

6. VERBAL UPDATE ON OPPORTUNITY NORTH EAST AND THE LOCAL DAIRY SECTOR BY PETER COOK - ONE

The Chair invited Peter Cook – Director of Agriculture, Food and Drink at Opportunity North East (ONE) - to provide a verbal update on the NE dairy situation and the project currently underway in support of the local dairy sector.

Since the Muller Wiseman dairy processing plant in Tullos had closed 8 months ago Mr Cook advised that there had been a significant gap in the local dairy value chain. Some 43 local farms had agreed to continue to supply Muller Wiseman, albeit that milk was now being transported (at a cost to dairy farmers of 1.75 pence per litre) to Bellshill, near Glasgow, for processing. This was putting local producers at a major commercial disadvantage, particularly when returns from milk production are already low. Mr Cook commented that around 12 producers are on 'aligned' contracts in which the additional transport costs are borne by the retail outlets they supply (totalling 28 million litres per annum). However, producers on aligned contracts were also concerned over the longer-term prospects for the sector following the introduction of the haulage charge - an unwelcome precedent.

It was reported that ONE and Aberdeenshire Council were jointly funding a project to examine the viability of alternative processing options to help secure the future of local dairy production. HRA Food and Drink - a dairy inward investment specialist consultancy - had been appointed and had already completed the first two study phases. The first was to investigate the state of the local producer base (how well they are invested), producers' future intentions and potential

market opportunities, including the indicative prospects for the manufacture of dairy ingredients for the local food industry.

The second stage of the project involved the preparation of a detailed investment prospectus for a dairy processing plant which was circulated to potential investors around the world in association with Scottish Development International. Five prospective investors emerged. Following discussions with each party, three serious investors declared a firm interest and work is now underway on phase three of the project, focusing, as expected, on the manufacture and marketing of dairy ingredients from locally produced milk.

A milk producers steering group had been formed to represent the interests of the farmers as milk suppliers and prospective investors and it was being advised by SAOS. A further meeting involving HRA, dairy producers, SAOS, ONE and Aberdeenshire Council was planned for March 2017. Mr Cook concluded by saying that the project was currently at a critical stage and due to commercial confidentiality no further details could be provided to members at this point. An update would however follow at the next meeting.

Questions then followed on the critical mass required to sustain local investment in processing, whether there were initiatives or studies focusing on niche markets for locally produced dairy products, the number of local milk producers who had invested in robotic milking systems (innovation) and the willingness of producers to add value on-farm.

The Chair thanked Mr Cook for the helpful update and requested that he continued to attend NESAG meetings to advise members of this and further developments involving ONE.

Action point 2: Dairy Sector study progress update to Members at next meeting.

7. BULLETIN REPORT: EUROPEAN FORESTRY INSTITUTE 2019

There was circulated a bulletin report dated 13th February, 2017, by the Director of Infrastructure Services, which provided Members with information on the European Forest Institute Conference 2019. The report advised that Aberdeen would host the 2019 Annual Conference of the European Forest Institute – the organisation which undertakes and promotes Europe-wide research on forestry issues, spanning policy, ecology, environment, resources management and forest health. It was reported that Prof Bill Slee of the James Hutton Institute had led the bid to secure the 2019 EFI conference at Aberdeen Exhibition and Conference Centre.

As a result, Aberdeen will be European Forest City in 2019. The core conference programme will comprise academic and scientific papers, presentations and discussions involving forestry and related researchers from across the world. However a wide range of activities would be organised around the event to promote forestry to the public, particularly young people. Members were advised that a panel led by JHI and comprising representatives from Aberdeen City Council, Aberdeenshire Council, Aberdeen Exhibition and Conference Centre and the Institute of Chartered Foresters has already started the planning process. A progress update will be provided at a forthcoming meeting.

After discussion, Members **agreed** to note the information provided in the report.

Action point 3: European Forestry Institute Conference 2019 work progress update to Members at a future meeting.

8. BULLETIN REPORT: PROMOTING LAND-BASED CAREERS AT THE ABERDEEN LEARNING FESTIVAL

There was circulated a bulletin report dated 13th February, 2017, by the Director of Infrastructure Services, which advised members of the Aberdeen Learning Festival (ALF) which will take place on 14th February, 2017 at AECC. ALF will enable teachers from across North East Scotland to meet and engage with their pupils' prospective employers and industry sectors to enhance teachers' awareness of pupils' potential career paths and skills required. The day-long event includes exhibition stands and booths and seminar sessions (including a keynote address from the Cabinet Secretary for Education and Skills).

ALF 2017 was the third year in succession that SRUC, Scottish Land & Estates and Aberdeenshire Council had combined efforts to promote land-based careers. Ringlink joined the team in 2017 and also for the first time, a seminar slot had been secured. The land-based careers seminar attracted around 50 teacher delegates and included an entertaining, informative and interactive session by Dr Colette Coll from SRUC which focused on the many careers associated with the humble potato.

After discussion, Members **agreed** to note the information provided in the report.

9. ANY OTHER BUSINESS

Derek McDonald provided Members with a brief report on the Digital Scotland project on behalf of Roddy Matheson and also informed Members that he will provide an update on the Ringlink Rural Internship Programme at the next meeting.

Action point 4: Ringlink Rural Internship Programme update to Members at next meeting.

The Chair advised that it was the last meeting of NESAAAG before the local elections in May 2017 and he expressed his gratitude to all Members and thanked them for their valuable comments and contribution over the past five years.

10. DATE OF FUTURE MEETING

It was **agreed** that the next meeting of the North East Scotland Agriculture Advisory Group was scheduled to take place on:

- Wednesday, 20th September, 2017 at 10.00 a.m. in Woodhill House, Aberdeen