

## NORTH EAST SCOTLAND FISHERIES DEVELOPMENT PARTNERSHIP

WOODHILL HOUSE, ABERDEEN, 16<sup>th</sup> FEBRUARY, 2018

**Present:**

**Aberdeenshire Council** – Councillors J Cox (Chair), D Beagrie, C Buchan, and A Kille.  
**Aberdeen City Council** – Councillors C Allard and A Donnelly.  
**Grampian Seafood Alliance:** M Clark and M Robertson  
**Members of the European Parliament** – I Hudghton  
**Members of Parliament** – D Duguid  
**Members of the Scottish Parliament** - C Beattie (on behalf of M Gougeon), M Foley (on behalf of M Watt MSP), S Stevenson, R Merson (on behalf of S Stevenson MSP) and Katrin Wagner (on behalf of P Chapman MSP).  
**Peterhead Port Authority** – J Wallace  
**Scottish Enterprise** – G Ford and I Garrett  
**Scottish Fishermen’s Federation** – B Armstrong  
**Scottish Pelagic Fishermen’s Association** – I Gatt  
**Scottish Pelagic Producers Association** – I McFadden  
**Scottish Seafood Association** – J Buchan  
**Seafood Scotland** – D Fordyce

**Apologies:**

Aberdeenshire Council - Councillor G Reynolds.  
Aberdeen City Council - Councillors R Houghton and J Laing.  
Moray Council - Councillor S Warren and C Cowie.  
MEPs: D Martin, A Smith and C Stihler.  
MPs: A Bowie and C Clark.  
MSPs: A Burnett, P Chapman, G Dey, M Gougeon, J Fitzpatrick, L Kerr, L Macdonald, M McDonald, J Marra, G Martin, S Robison, M Rumbles, K Stewart, R Thomson and M Watt.  
Aberdeen Fish Producers Organisation - D Anderson  
Fraserburgh Harbour Commissioners – T Boyle  
HIE Moray - A Kearney  
Lunar Fish Producers Organisation - R Stevenson  
Marine Scotland Science – C Needle  
North Sea Advisory Council - L Duguid  
North East of Scotland Fishermen’s Organisation - A Birnie  
North & East Coast Regional Inshore Fisheries Group - I Maddox  
Scottish Fishermen’s Federation – F Lord and M Morrison  
Scottish Fishermen’s Organisation - J Anderson  
Scottish Maritime Academy NESCOL - L Hope  
Scottish Pelagic Fishermen’s Association – A Wiseman  
Scottish Seafood Association – D Leiper  
Scottish White Fish Producers’ Association Ltd - J Mouat and M Park  
Seafish Industry Authority – I Land  
Seafood Scotland – P Hughes

**Officers:**

Derek McDonald - Industry Support Executive, AC  
Anna Ziarkowska – Assistant Committee Officer, AC.

### 1. WELCOME, INTRODUCTIONS AND DECLARATIONS OF INTEREST

The Chair 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 17<sup>th</sup> NOVEMBER, 2017

The minute of meeting of 17<sup>th</sup> November, 2017 was circulated and **approved** as a correct record.

## 4. MATTERS ARISING

Derek McDonald confirmed that the presentations from the previous meeting were available online. Thereafter, he went through the action sheet from the last meeting advising on progress of each point. It was reported that a letter had been sent on behalf of the Partnership to the Cabinet Secretary for the Rural Economy and Connectivity to urge that a means be found to secure higher levels of pelagic landings to safeguard the future of the domestic processing sector. It was further reported that the Ministerial responses in respect of the proposed review of the EU Faroe Bilateral Agreement had been posted on the NESFDP webpage and that the issue of the EU – Faroes bilateral agreement will be reviewed at a future meeting of the Partnership.

## 5. PRESENTATION: BREXIT UPDATE BY BERTIE ARMSTRONG, CHIEF EXECUTIVE, SCOTTISH FISHERMENS FEDERATION.

Bertie Armstrong, CEO of the Scottish Fishermen's Federation (SFF) presented his most recent update on the Federation's view of the implications of Brexit for the fishing industry. Mr Armstrong explained that the default position under international law on leaving the EU would be the resumption of the control of fishing in the UK Exclusive Economic Zone (EEZ) by the UK Government which offered the prospect of enhanced access to fishing opportunities in UK waters for UK vessels. Reference was made to four fundamental points: the change in governance; catching in the UK EEZ; UK shares in the UK EEZ; and zonal attachment in the UK EEZ. Mr Armstrong set out key milestones including the Withdrawal Bill, a White Paper on Fisheries, a new Fisheries Bill and the commencement of trade negotiations. Mr Armstrong concluded by suggesting that the UK could begin the process of transitioning to a Coastal State during the 2018 fisheries negotiations.

Discussion then followed in relation to the implications of Brexit for fishing and the wider fisheries sector, on the assumption that opportunities would strongly outweigh disadvantages

and challenges and which could in turn underpin positive economic development and growth in seafood related activity.

Thereafter, the Group thanked Mr Armstrong for his update and **agreed** to note the content of the presentation.

#### **6. PRESENTATION: CURRENT DEVELOPMENTS IN THE PROCESSING SECTOR BY JIMMY BUCHAN, BUSINESS MANAGER, SCOTTISH SEAFOOD ASSOCIATION.**

The Chair invited Mr Jimmy Buchan, Chief Executive of the Scottish Seafood Association, to deliver a presentation on Current Developments in Processing Sector. Mr Buchan reported that the number of active Scottish seafood processors had halved over the past three decades due to high operating costs in what is seen as a low margin industry and the continuing loss of skills in the sector's workforce. Mr Buchan outlined the continuing cost pressures facing processors including high utility bills for energy, water and waste disposal along with sharp increases in staffing costs such as the living wage and enhanced pension provision. However he advised that the most challenging current issue for large and medium sized operators is the recent business rates increase in NE Scotland.

Mr Buchan went on to describe what was required for the industry to grow and to harness the opportunities arising from improving fish stocks and the anticipated Brexit dividend, including higher levels of support and engagement from local and national Government; ensuring that the majority of fish caught by Scottish vessels is landed and processed in Scotland; and the need for a cohesive business development programme to incentivise investment in innovation, automation, accreditation and marketing. Mr Buchan concluded by describing projects in which SSA is currently involved including the NESFLAG-funded Seafood Training Centre which has secured additional financial support from Seafish, Scottish Government, Aberdeenshire Council and from industry.

During discussion, Mr Buchan was asked what could be done to resolve the concerning issues facing the sector such as high operating costs and how to encourage new investment and also the next generation into seafood processing. Mr Buchan challenged elected members to do more to help support the sector.

Thereafter, the Group thanked Mr Buchan for his informative presentation and **agreed**:

- 1/ to analyse various risks and challenges facing the wider fisheries sector and prepare strategy/action plan for industry.
- 2/ to invite Mike Palmer (Marine Scotland) to the next meeting of NESFDP.

**Action point 1a: Prepare strategy/action plan for fisheries sector.**

**Action point 1b: Invite Mr Mike Palmer to the next meeting of NESFDP.**

#### **7. REPORT: BUSINESS RATES LETTER TO DEREK MACKAY, CABINET SECRETARY FOR FINANCE AND THE CONSTITUTION**

There had been circulated a report dated 6<sup>th</sup> February, 2018 by the Director of Infrastructure Services which provided Members with a draft letter to Mr Derek Mackay, Cabinet Secretary for Finance and the Constitution. Following on from the presentation delivered by Grampian Assessor and Aberdeenshire Council's Head of Finance at the last meeting on business rates, Members agreed to write to Mr Mackay to seek mitigation of high business rates burden being

borne by large and medium-sized seafood processing businesses in NE Scotland. A draft letter had been prepared seeking introduction of a business rates cap of 12.5% specifically for the seafood sector in NE Scotland, to free up processors' financial resources to enable them to invest, to help generate levels of employment and foster economic growth.

After discussion it was agreed that the letter should seek parity with (much lower) business rates charges in Humberside. It was also reported that individual seafood businesses were in dialogue with the Assessor's office to seek clarification on the comparators used to set the Rateable Value figures in NE Scotland.

After consideration, the Group **agreed** to approve the final content of the letter and for the letter to be issued on behalf of NESFDP.

**Action point 2: Send a letter on behalf of the Partnership to the Cabinet Secretary for Finance and the Constitution seeking parity on business rates charges for processors in NE Scotland with Humberside.**

#### **8. VERBAL REPORT: CONSUMER MARKET TRENDS IN SEAFOOD BY SEAFISH.**

As Ian Land from Seafish was now unable to attend and present the item, Derek McDonald provided a very brief insight into the recent seminar hosted by Seafish on Consumer Market Trends in Seafood and advised that the item would be revisited at a future meeting of the Partnership. The Group **agreed** to note the update.

**Action point 3: Consumer market trends item to be revisited at a future meeting.**

#### **9. NESFLAG UPDATE**

There had been circulated a report dated 6<sup>th</sup> February, 2018 by Jamie Wilkinson, NESFLAG Coordinator which provided Members with a NESFLAG Programme update. It was reported that NESFLAG budget for the programme period is £1.437m which covers the Aberdeenshire and Angus coasts, encompassing most fishing communities and coastal settlements. NESFLAG is administered by Aberdeenshire Council and was first launched in March 2016 with an aim to deliver the community-led local development elements of the European Maritime and Fisheries Fund 2014 – 2020. Derek McDonald advised that NESFLAG welcomes project applications from community groups, third sector organisations, public bodies, private companies which address specific programme priorities. Due to the outcome of the EU Referendum, the deadline for approving new projects is now March 2019. Potential project ideas should in the first instance be discussed with Jamie Wilkinson NESFLAG Coordinator at nesflag@aberdeenshire.gov.uk or 1467 537377.

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

#### **10. BULLETIN REPORT: NEW FISHERIES POLICY FOR THE FAROE ISLANDS**

There had been circulated a report dated 6<sup>th</sup> February, 2018 by the Director of Infrastructure Services which provided Members with information on New Fishing Policy for the Faroe Islands. The report informed that on 13<sup>th</sup> December 2017, the Faroese Parliament passed a bill that represents a major reform of national fisheries management in the Faroe Islands. Under the new Act on the Management of Marine Resources, which came into effect on 18<sup>th</sup> December 2017 all living marine resources in Faroese waters are the property of the people of the Faroe Islands, and as such, fishing licences may never become private property, neither by law nor practice. Furthermore, fishing licences cannot be traded directly between private

buyers. To change hands, licenses must go through a public auction. It was further indicated that all fisheries must be biologically, economically and socially sustainable, with the reform built on three main pillars that is: sustainable fishing and conservation of fish stocks; rights and access to fishing licences; and industry requirements and value-adding.

During discussion it was noted that the new policy represents a major change to how sea fisheries are regulated and managed in the Faroe Islands.

After consideration, the Group **agreed** to note the content of the report and to revisit the subject matter at a future meeting.

**Action point 4: Update on New Fishing Policy for the Faroe Islands to be provided at a future meeting of NESFDP.**

#### **11. VERBAL REPORT: SCOTTISH SEAFOOD CENTRE OF EXCELLENCE**

Derek McDonald provided the Group with a verbal update on the Scottish Seafood Centre of Excellence Project. Following a wide consultation process with industry and various stakeholders, led by a project group comprising NESCOL, the Scottish Seafood Association, Seafood Scotland, Seafish, Scottish Enterprise, Aberdeen and Grampian Chamber of Commerce, Fraserburgh Harbour, the council and others, a vision emerged of a Scottish Seafood Centre of Excellence to help benefit the sector as a whole – e.g. by fostering growth through improved productivity, product quality/accreditations and new product development, encouraging new enterprises and promoting seafood related careers. To test the business case for the creation of the proposed centre, Aberdeenshire Council had agreed to fund an independent economic assessment. A tender was prepared and posted on the Public Contracts Scotland website. SAC Consulting was appointed to investigate the viability of the project. The report findings have been recently finalised and the project group will meet to discuss and plan next steps. Mr McDonald advised that Members will be provided with a progress update at a future meeting of NESFDP.

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

**Action point 5: Scottish Seafood Centre of Excellence Project progress update to Members at a future meeting.**

#### **12. INDUSTRY REPORTS AND ROUND TABLE ROUND-UP**

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

#### **13. ANY OTHER BUSINESS**

No further items were reported.

**Action point 6: Presentations from the meeting to be posted on NESFDP webpage and Members to be advised accordingly.**

#### **14. DATE OF NEXT MEETING**

It was **agreed** that the next meeting of the Partnership would take place on 22<sup>nd</sup> June, 2018, Committee Room 5, WHH, Aberdeen.

