

NORTH EAST SCOTLAND FISHERIES DEVELOPMENT PARTNERSHIP

COMMITTEE ROOM 5, WOODHILL HOUSE, ABERDEEN 15 FEBRUARY 2019

- Present:**
- Aberdeenshire Council**— Councillors J Cox (Chair), D Beagrie, C Buchan, A Kille and A Forsyth (Sub for G Reynolds)
 - Aberdeen City Council** – Councillors C Allard, A Donnelly and J Laing
 - Moray Council** – Councillor S Morrison (Sub for S Warren)
 - Member of Parliament** – D Duguid
 - Members of the Scottish Parliament** - S Turner (on behalf of P Chapman), M Foley (on behalf of M Watt) and R Merson (on behalf of S Stevenson)
 - Aberdeen Fish Producers Organisation** – D Anderson
 - North East of Scotland Fishermen’s Organisation** – A Birnie
 - Peterhead Port Authority** – S Brebner
 - Scottish Seafood Association** – J Buchan
 - Seafish Industry Authority** – I Land
 - Seafood Scotland** – D Fordyce and P Hughes
 - Scottish Enterprise** - G Ford
- Apologies:**
- Aberdeenshire Council – Councillor G Reynolds
 - Aberdeen City Council – Councillor R Houghton
 - Moray Council – Councillors M Macrae and S Warren
 - MEP - I Hudghton
 - MSPs - P Chapman, G Martin, S Stevenson and M Watt
 - Grampian Seafood Alliance: M Robertson
 - Scottish Enterprise – I Garrett
 - Scottish Fishermen’s Organisation – J Anderson
 - Scottish Pelagic Fishermen’s Association – I Gatt
 - Scottish Maritime Academy NESCOL – L Hope
- Officers:**
- D McDonald – Industry Support Executive, Aberdeenshire Council
 - A McLeod – Assistant Committee Officer, Aberdeenshire Council
 - A Reid – Team Manager, Business and Industry, Aberdeenshire Council

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.

Councillor Allard referred to a matter he had raised about the Public Sector Equality Duty by email and the Chair referred Councillor Allard to the advice which had been provided to him in writing recommending that the matter should be referred in writing through the appropriate channels.

3. MINUTE OF MEETING OF 2 NOVEMBER 2018

The minute of meeting of 2 November 2018 was circulated and **approved** as a correct record. The Chair, on behalf of the Partnership gave his thanks to the Peterhead Authority for hosting the meeting and giving members a very interesting tour of the new Peterhead Fishmarket.

4. MATTERS ARISING

Derek McDonald went through the action sheet from the last meeting advising on progress of each point:

- (1) it was noted that the issue of Anisakis was the subject of a bulletin report at item 8 on the agenda;
- (2) an update report (item 10) was provided on the agenda in respect of the Future-proof fisheries project;
- (3) the issue of business rates would be considered under item 9 of the agenda;
- (4) it was noted that the UK Fisheries Bill was progressing to the report stage and would have its third reading in due course.

5. PRESENTATION: TAC ALLOCATIONS FOR 2019 BY DR COBY NEEDLE, SEA FISHERIES PROGRAMME MANAGER, MARINE SCOTLAND SCIENCE

The Chair welcomed Dr Coby Needle, Chief Fisheries Advisor for Scotland Marine Scotland Science, who gave a presentation to members on the scientific advice and final TAC (Total Allowable Catch) decisions for 2019. He outlined the background and gave an overview of the process, focusing on the reasons for TACs diverging from scientific advice. He confirmed that the advisory schedule for 2019 was consistent with 2018 and that research vessel surveys were ongoing throughout the year, with the information being collated by institutes throughout Europe. However, after March 2019 there would be changes to some processes which will require a series of EU/UK meetings. Dr Needle outlined statistics for the North Sea, with advice based on stocks attaining maximum sustainable yield (MSY). He highlighted the quota changes and the underlying rationale for the main commercial fish species, including the position on mackerel stock assessment and advice: three assessment methods are used, one of which – tagging – is relatively new. Stock estimates arising from the tagging methodology are not consistent with the two other longer established methods. A comprehensive scientific review is planned in April/May 2019 and a mackerel egg survey - a major study carried out triennially in the North Sea and NE Atlantic – will also be undertaken in 2019.

After a question and answer session, the Chair thanked Dr Needle for his highly detailed presentation.

6. PRESENTATION: CATCHING SECTOR UPDATE BY DAVID ANDERSON, CHIEF EXECUTIVE, ABERDEEN FISH PRODUCERS ORGANISATION

The Chair welcomed Mr David Anderson, Chief Executive of Aberdeen Fish Producers Organisation who referred to the previous presentation and indicated that there had been a 35% and 30% decrease respectively in the 2019 North Sea catch quotas for cod and haddock,

which would have an enormous impact on the fleet in the North East of Scotland. He confirmed that the landings in Peterhead in recent months had decreased. The fleet had benefitted from quota uplifts in previous years but fishermen were generally of the view that stocks of the main commercial species had declined in abundance by around 25%. He suggested that more investigation was required on the effects of global warming upon fish populations, including their distribution, as the sector was facing a very serious situation. The cuts to 2019 quotas for cod and haddock were the largest he had ever seen and were of great concern and required urgent consideration. He noted that even if the UK does indeed leave the EU as scheduled on 29 March, the UK will observe the quota settlements for the remainder of 2019 agreed in Brussels in December 2018. In relation to the proposed Fisheries Bill, it was likely that all existing EU regulations would be transposed into British law. He also suggested that a lack of clarity and a delay in decision-making would continue for some considerable time.

Mr David Duguid, MP was present and indicated that in respect of EU law, this would be transposed for the timescale of the implementation period – if the withdrawal agreement passes through parliament. He asked that members of the Partnership should contact him to take questions back to UK Government and he was willing to make representations and to seek answers. He also indicated that there was scope for the government to invest in the fishing industry to compensate for short term losses during the Brexit process, and advised that the Treasury had requested a 'shopping list' of what is needed to assist the sector. He had also consulted with the Scottish Fishermen's Federation in this regard. Finally, he confirmed that the Fisheries Bill was currently proposed to be enacted before 29 March 2019.

The Chair thanked Mr Anderson for his presentation and it was agreed that a list of action points would be compiled later in the meeting.

Action Point 1: Derek McDonald to engage further with David Duguid MP to clarify how the fisheries sector can obtain support from UK Government to help address Brexit-related disruption/loss/opportunities.

7. PRESENTATION: PROCESSING SECTOR UPDATE BY JIMMY BUCHAN, CHIEF EXECUTIVE, SCOTTISH SEAFOOD ASSOCIATION

The Chair welcomed Mr Jimmy Buchan, Chief Executive, Scottish Seafood Association, who expressed concern that the current cuts in catching opportunities would badly affect profitability in the seafood processing industry and would directly and adversely affect many businesses in Aberdeen City and Aberdeenshire unless fish can be procured from other sources. He said that it was critical that businesses obtain the assurances they require to continue to trade and referred in particular to current concerns over councils' capacity to provide Export Health Certificates (EHCs) for seafood exports under a 'no-deal', and asked if councils had contingency plans in place.

Mr Buchan indicated that he had been advised today that UK Government had put in place funding for councils to ensure sufficient Environmental Health Officers were in place to deal with a major increase in demand for EHCs and asked if there was any further information about this. He asked what is being done to ensure that the industry is able to continue trading and referred to the need for businesses operating in the seafood industry to demonstrate regulatory compliance when the UK leaves the single market. In all these areas the support of the councils was critical. It was also important to find ways to promote careers in seafood and to encourage people to enter the industry and made a plea for further engagement between councils and the industry to identify the challenges and seek to address them. Councillor Laing indicated that the Chief Executives had been in communication to draw up contingency plans at a number of levels, and that there had been numerous round table discussions on business rates. However, local authorities were facing exceptionally challenging budgetary issues and had very little flexibility for offering discretionary support measures for industry.

Mr Buchan referred to the substantial recent levels of investment in the fishing fleet which mirrored confidence in the catching sector. By comparison, processors were extremely uncertain over future profitability and the likelihood was that many businesses would go into 'survival mode' for the foreseeable future to preserve already thin margins. Fish prices have been at historic highs for over 12 months and there were fears that they were at unaffordable levels for many buyers.

David Duguid, MP referred to recent media reports suggesting that DEFRA had plans in place to address the issue of food health inspector capacity and suggested that representations should be made to the Scottish Government highlighting the urgency of this problem.

On extending Scotland's reach into overseas markets, Patrick Hughes, Chief Executive of Seafood Scotland, advised that detailed plans were in place to promote Scottish seafood in key international markets.

The Chair thanked all for an interesting discussion.

Action Point 2a: Clarification to be sought on contingency measures for export health certification and linkage with/support from funds provided by UK Government for Brexit No-deal scenario and to support the industry going forward;

Action Point 2b: Need for effective engagement between the seafood industry and councils/food safety authorities to ensure challenges are being identified and addressed at earliest opportunity.

8. BULLETIN: ANISAKIS

There had been circulated a report dated 6 February, 2019 by the Director of Infrastructure Services, which provided Members with an update on the issue of the Anisakis parasite in whitefish species. The issue of Anisakis first arose during a visit to Whitelink Seafoods by members of the Council's Fisheries Working Group in September 2018 when the process used to screen fillets for the parasite was viewed and explained. After the factory visit, council officers contacted Marine Scotland Science to obtain further information on the prevalence and cause of Anisakis in Scottish waters and to ask whether the issue was the subject of any current research.

The issue was subsequently covered at NESFDP and raised by Stewart Stevenson MSP with Fergus Ewing, Scottish Government Cabinet Secretary for the Rural Economy. His response explained that evidence from several scientific studies across Europe had concluded that the prevalence and intensity of the parasite is largely determined by the population density of final hosts such as seals and dolphins. Based on this evidence, the effect of treatment of fish offal onboard fishing vessels (to sterilise sources of future parasitism) was, in the view of Scottish Government, likely to have no effect or only a very negligible effect upon Anisakis populations in wild commercial fish species in Scottish waters. The cost of installing and maintaining treatment facilities onboard fishing vessels was therefore unlikely to generate a commercial return in respect of higher prices paid for fish at the quayside.

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

9. BULLETIN: BUSINESS RATES FOR SEAFOOD PROCESSORS UPDATE

There had been circulated a report dated 6 February, 2019 by the Director of Infrastructure Services, giving details of a meeting secured by the Scottish Seafood Association in Aberdeen on 23 November, 2018 with Kate Forbes, MSP, Minister for Public Finance and the Digital Economy and attended by industry representatives, the Leader of Aberdeenshire Council and

Co-Leaders of Aberdeen City Council, a representative from the Grampian Assessor's office and from the Seafish Industry Authority, civil servants and an Aberdeenshire Council officer.

During the meeting, industry representatives stated their case for active intervention to mitigate the high levels of business rates being borne within the seafood sector, particularly for modern and well-invested premises in Aberdeen City. The discussions broadened out to include the scope (and limitations) for rates relief from the two councils and the methodology employed by the Assessor to set rateable values (based on property rental comparators and the Scottish Assessors Association Industrial Properties Practice Note 1 which provides guidance on the valuation of factories, warehouses, workshops and stores). The Minister expressed her support for the industry and sought information on the wider challenges facing the sector above and beyond rates over the past decade.

On 27 November 2018, the Seafish Industry Authority published an updated briefing on business rates in NE Scotland. The analysis revealed that business rates paid by processors in Peterhead and Fraserburgh were broadly comparable to those paid in Humberside (£13 to £15 per m²). However rates in Aberdeen city were very much higher (£30 per m²).

Concern was expressed that, although the Minister was receptive at the meeting to the various issues raised, processors were still awaiting information on how the business rate burden could be mitigated, particularly in Aberdeen City. It was **agreed** that further talks should be sought between the industry and Kate Forbes, MSP to seek a resolution acceptable to processors.

Action Point 3: Derek McDonald to provide such assistance as may be necessary to secure a further meeting between processing industry representatives and the minister, Kate Forbes, MSP on the issue of business rates.

10. BULLETIN: FUTURE-PROOFING THE FISHERIES SECTOR PROJECT

There had been circulated a report dated 7 February, 2019 by the Director of Infrastructure Services, giving an update on a project being undertaken to help identify capacity constraints and 'future-proof' the fisheries sector in NE Scotland. The 'future-proofing' study was approved in principle as a 'commissioned project' by NESFLAG (NE Scotland Fisheries Local Action Group) and preparations had begun on a formal application to NESFLAG for financial support from the European Maritime and Fisheries Fund (EMFF) to fund the study. It was anticipated that a contractor would be appointed in April and that the final report would be published in late 2019. As a member of the project sub-group, Patrick Hughes noted the importance of the work which will be carried out during 2019 and funded by NESFLAG, Seafood Scotland and Opportunity North East.

Members **agreed** to note the progress of the project and requested sight of the Terms of Reference for the study.

Action Point 4: Derek McDonald to provide NESFDP members with the Terms of Reference for the 'Future Proofing the Fisheries Sector' study

11. INDUSTRY REPORTS AND ROUND TABLE ROUND-UP

The Partnership **noted** updates from the industry representatives in respect of their areas of responsibility and interest, which included information on the following:

- Seafish Scottish Summit 26/27 March, Aberdeen – a range of speakers and opportunities for networking
- Seafood Expo North America (SENA) – major seafood show 17-19 March in Boston
- Seafood Scotland Action Plan – publication imminent

- Seafood airfreight options post-Brexit being explored and discussions underway on priority channels for fresh seafood exports at Dover/ports (Seafood Scotland)
- NE Scotland Food Innovation Hub - funded by City Region Deal and Opportunity North East (ONE) – ONE to be invited to join NESFDP.

Action Point 5: Derek McDonald to formally invite ONE to join NESFDP

12. ANY OTHER BUSINESS

Following action Points **agreed**:

1: Derek McDonald to engage further with David Duguid MP to clarify how the fisheries sector can obtain support from UK Government to help address Brexit-related disruption/loss/opportunities.

2a: Clarification to be sought on contingency measures for export health certification and linkage with/support from funds provided by UK Government for Brexit No-deal scenario and to support the industry going forward;

2b: Need for effective engagement between the seafood industry and councils/food safety authorities to ensure challenges are being identified and addressed at earliest opportunity.

3: Derek McDonald to provide such assistance as may be necessary to secure a further meeting between processing industry representatives and the minister, Kate Forbes, MSP on the issue of business rates.

4: Derek McDonald to provide NESFDP members with the Terms of Reference for the 'Future Proofing the Fisheries Sector' study

5: Derek McDonald to write to invite ONE to join NESFDP

13. DATES OF 2019 MEETINGS

It was **agreed** that the following meetings would be held in 2019:

- a) 21 June 2019 in Committee Room 5, Woodhill House at 1.00 PM; and
- b) 1 November 2019 in Committee Room 5, Woodhill House at 1.00 PM.