

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE

18TH SEPTEMBER 2013

Agenda Item	14
Report No	PED 63/13

AXIS 4 EUROPEAN FISHERIES FUND – HIGHLAND FLAG PROGRESS

Report by Director of Planning and Development

SUMMARY

This paper provides an update on the delivery of the Axis 4 European Fisheries Fund (EFF) in the Highlands. Committee is invited to consider the report and to:

- (a) Note the good progress being made on the delivery of the EFF Axis 4 Fund in Highland;
- (b) Agree that the Council explore the possibility of securing additional EFF funding from Marine Scotland on behalf of the Highland FLAG and that this be delegated to the Director of Planning and Development in consultation with the Committee Chair; and
- (c) Note that a further report on progress will be presented to Committee in January 2014.

1. Introduction and background

- 1.1 EFF Axis 4 funding is available for commitment until 31st December 2013. Funds can be used to support a wide range of projects which contribute to the sustainable development and improvement of the quality of life in fisheries dependent areas. For example, projects which add value to fisheries products, provide training or economic diversification are all potentially eligible.
- 1.2 Highland Council is the lead partner responsible for the delivery of the EFF in Highland, including financial management, and the Council has committed to providing the public match funding required to deliver EFF. This means that of the total EFF Axis 4 budget of £549,392 in Highland, 25% match funding of £137,348 is guaranteed by Highland Council. Funds required to match EFF funds are currently planned within the Planning and Development Service budget 2012/13 - 2015/16.

2. The Highland Fisheries Local Action Group

- 2.1 A Highland Fisheries Local Action Group (FLAG), chaired by Highland Council's Vice Chair of Planning Environment and Development, delivers the Axis 4 fund on behalf of the European Commission and the Scottish Government. The Highland FLAG must be representative of fishing communities and should contain at least 30% representatives from the fisheries sector. The current membership of the Highland FLAG is included for information at appendix 1 to this report.

3. The Highland Local Fisheries Development Strategy and Business Plan

- 3.1 Copies of the Highland Local Fisheries Development Strategy and Business Plan are available on the Committee bulletin for Members who wish to go through the details of the plans. The Highland FLAG will review the Strategy and Business Plan at the next FLAG Meeting in October 2013.

4. Administration of the Highland EFF

- 4.1 Highland Council administers the Highland EFF Programme.
- 4.2 A part time FLAG Development Officer responsible for the coordination and management of Axis 4 was appointed in August 2012. A part time FLAG Administrator was appointed in September 2012. Both members of staff are based at Highland Council HQ, Inverness.
- 4.3 A full-time, externally funded EFF Regional Development Officer has recently been appointed (July 2013) to assist with the delivery of the European Fisheries Fund in the Highlands, and to animate, promote and coordinate wider fisheries development with appropriate partners within coastal areas of the Highlands. The EFF Regional Development Officer is based in Wick (Highland Council office).

5. Promotion of EFF Axis 4

- 5.1 The FLAG Development Officer and EFF Regional Development Officer have led on the promotion of the Highland EFF Programme and have met with a number of harbours, businesses and community groups to generate interest in the Programme and to encourage potential Axis 4 projects.
- 5.2 A number of press releases have been issued since the launch of Axis 4 which highlight funding opportunities available under the Programme as well as promoting the projects approved by the Highland FLAG.
- 5.3 Information on EFF Axis 4 has been made available through the Highland Council website since the launch of the Programme in 2012. Links to the Scottish Government and European partner websites are also in place and a dedicated Highland European Fisheries Fund website www.highlandeff.org.uk was launched in July 2013.

6. Highland FLAG Progress

- 6.1 The Highland FLAG has met six times since its establishment. In addition the FLAG has also been able to consider projects and Expressions of Interest electronically.
- 6.2 32 expressions of interest have been considered by the FLAG to date. A number of additional enquiries have also been received by the Programme staff which do not meet the requirements of the Programme i.e. eligibility, procurement, match funding requirements. Projects which would fit more appropriately under Axes 1-3 of the European Fisheries Fund have been signposted to Marine Scotland.

6.3 Eight full applications have been considered by the Highland FLAG and six have been approved. A brief summary of each project is provided below while financial details are included at appendix 2:

- Funds awarded to the **Moray Firth Partnership** supporting a feasibility study on a proposed seafood trail project. The project links with a similar national initiative which is being funded by other Scottish FLAGs and which could lead to a co-operation project covering three FLAG areas (Highland, Moray and Aberdeenshire).
- Funds awarded to **Highland Council Harbours** supporting an engineering survey/feasibility study to establish opportunities for the enhancement of Helmsdale Harbour via the provision of access at all tides and its further development for leisure use.
- Funds awarded to **Assynt Leisure – Sports, Youth and Learning Centre** supporting a two year project to provide training, mentoring and support to individuals and businesses in Assynt. The project aims to encourage new entrants into the marine sector and to support the fisheries community to develop new enterprises and to expand existing businesses.
- Funds awarded to **Wick Harbour Authority** for the purchase of additional infrastructure to increase the capacity at Wick Marina from 72 to 84 berths. Interpretation panels will also be installed in the area around the harbour to promote the maritime heritage of Wick and provide information on the ports diversification process to meet modern demand. A series of interpretation panels will also provide information about the local wildlife and coastal walks.
- Highland Council's Community Challenge Fund recently approved an application from Kyle and Lochalsh Community Trust to take on responsibility for the toilets and pontoons in Kyle. The Highland FLAG has awarded funding to **Kyle and Lochalsh Community Trust** to support the upgrade and extension of the pontoons (7 berth to a 20/22 berth installation); make additional provision for tour boats; install 10 moorings in the adjacent area; and to redevelop the existing public toilets to provide facilities for visiting yachts, providing showers, washing facilities and washing machines/dryers.
- Funds awarded to **Mallaig Harbour Authority** to enhance shore side harbour facilities for local residents and visitors alike, and to improve the public perception of the village of Mallaig as a visitor destination, by construction of a new promenade along the south side of the Inner Harbour.

6.4 Axis 4 projects must be completed by the end of April 2015, with the final date for drawdown of approved funds being May 2015.

6.5 The Highland FLAG has approved funding of £391,335.05 to date against the available projects budget of £494,452.80 (total budget minus 10% for admin).

6.6 The Highland FLAG has until 31st December 2013 to commit the remaining

balance of £95,528.45 (75% EFF £71,646.34 and 25% co-finance £23,882.11).

- 6.7 There are a number of expressions of interest and projects in the pipeline which may exceed the remaining budget of £95,528.45. The next round of applications will be considered by the FLAG on 25th October 2013. As the value of expressions of interest and projects in the pipeline could potentially exceed the budget available, the Highland FLAG is not currently inviting further expressions of interest. This will be reviewed on an ongoing basis.
- 6.8 Given the above, Marine Scotland has indicated that FLAG's may be able to bid for additional Axis 4 funds (underspend from other FLAG areas in Scotland). Any additional funds offered to Highland by Marine Scotland would require 25% co-financing by the public sector to ensure that the co-finance requirements for the Axis 4 Programme are met (75% EFF / 25% co-finance). Although it is hoped that public sector match funding can be secured from other public sector bodies, and that this would reduce any need for the allocation of further Highland Council match funding, it may be that the Council will once again be asked to guarantee the 25% co-finance required to secure any additional EFF funds. However, given the timing of any request for additional EFF funds and the closure of the Programme on 31st December this year any additional co-financing required is likely to be limited to below £25,000 and could be funded from budgets during the remainder of 2013/14 and from 2014/15 and 2015/16.

7. Fit with the Programme for the Highland Council 2012 - 2017

- 7.1 Managing and implementing the Highland EFF assists the Council deliver its objectives to maximise the benefits of EU funding programmes in the Highlands.

8. Fit with the Single Outcome Agreement

- 8.1 Managing and implementing the Highland EFF helps the Council deliver SOA objectives supporting:
- Empowering communities;
 - Tackling inequalities;
 - Access to amenities;
 - Enjoying and protecting our natural environment

9. Equality implications

- 9.1 There are no equality implications directly arising from this report. As part of the assessment process, each project is assessed for its impact on equal opportunities.

10. Legal implications

- 10.1 There are no legal implications arising from this paper.

11. Risk Implications

- 11.1 The Planning and Development Service, together with the Highland EFF team will continue to work closely with Internal Audit and Marine Scotland to ensure the Programme is delivered in accordance with the governing European and Scottish Regulations and that there is no disallowance of grant.

12. Climate change and Carbon Clever implications

- 12.1 There are no climate change or carbon clever implications attached to this report. Those attending FLAG meetings use car share opportunities and projects are assessed for their sustainability including their potential impact on the environment.

13. RECOMMENDATION

- 13.1 Committee is invited to consider the report and to:
- (a) Note the good progress being made on the delivery of the EFF Axis 4 Fund in Highland;
 - (b) Agree that the Council explore the possibility of securing additional EFF funding from Marine Scotland on behalf of the Highland FLAG and that this be delegated to the Director of Planning and Development in consultation with the Committee Chair; and
 - (c) Note that a further report on progress will be presented to Committee in January 2014.

Designation: Director of Planning and Development

Date: 3rd September 2013

Author: George Hamilton, Head of Environment and Development
(Ext 2252)

Planning, Environment and Development Committee

EFF Axis 4 Fund – Highland FLAG Progress

Membership of Highland Fisheries Local Action Group

Cllr George Farlow	Vice Chair Planning Environment and Development Committee
Cllr Richard Greene	Chair North West Inshore Fisheries Group
Mr John Cox	Chair Moray Firth Inshore Fisheries Group
Mr John MacMillan	Mallaig Harbour Authority
Mr Willie Calder Snr	Chair Scrabster Harbour Authority and Scrabster Seafoods Ltd
Mr Jamie Smith	Scottish Salmon Producers Organisation
Ms Kathryn Logan	Moray Firth Partnership
Ms Tamara Lawton	Scottish Natural Heritage
Ms Jacqueline McDonell	Highlands and Islands Enterprise
Mr Scott Armstrong	Visit Scotland

Supported by Highland Council:

Fiona Daschofsky	EFF FLAG Development Officer
Sarah Lamb	EFF Regional Development Officer
Patrick O'Sullivan	EFF FLAG Administrator
James Bromham	Aquaculture Development Officer

Planning, Environment and Development Committee
EFF Axis 4 Fund - Highland FLAG Progress

Highland FLAG Budget	EFF	HC
£549,392 split:	£ 412,044.00	£ 137,348.00
Less 10% for Admin Budget: £54,939.20 split:	£ 41,204.40	£ 13,734.80
Budget available for projects: £494,452.80 split:	£ 370,839.60	£ 123,613.20

Projects Approved

Applicant	Total Project Costs	Funding sought from FLAG	FLAG % towards total project costs	EFF	HC	HC Budget separate to HC co-finance	Notes
Moray Firth Partnership	£ 4,445.00	£ 3,545.00	80%	£ 2,658.75	£ 886.25		
Highland Council (Helmsdale Harbour Project)	£ 16,980.00	£ 12,735.00	0.75%	£ 12,735.00		£ 4,245.00	(HC Harbours)
Assynt Leisure	£ 39,309.00	£ 29,481.75	75%	£ 22,111.31	£ 7,370.44		
Wick Harbour Authority	£ 33,443.00	£ 30,098.70	90%	£ 25,082.25	£ 5,016.45		
Kyle & Lochalsh Community Trust	£ 258,894.00	£ 233,004.60	90%	£ 174,753.45	£ 58,251.15		
Mallaig Harbour Authority	£118,471 (eligible costs)	£ 82,470.00	70%	£ 61,852.50	£ 20,617.50		
Funding approved		£ 391,335.05		£ 299,193.26	£ 92,141.79	£ 4,245.00	

Outstanding Balance

EFF funds (75% of budget)	£ 71,646.34
HC Co-finance (25% of budget)	£ 23,882.12
Total	£ 95,528.45