

FRASERBURGH TASK FORCE: SIXTH MEETING – 3 MARCH 2017
Leisure Centre, North Links Seaforth Street, Fraserburgh, AB43 9BB

Chair

Paul Wheelhouse, Minister for Business, Innovation and Energy

Attendees

Paul Wheelhouse MSP, Minister for Business, Innovation & Energy (Chair)

John Davidson, Scottish Government

Fraser Dryburgh, Scottish Government

Cllr Richard Thomson, Aberdeenshire Council

Roddy Matheson, Aberdeenshire Council

Derek McDonald, Aberdeenshire Council

Christine Webster, Aberdeenshire Council

Jan Emery, Aberdeenshire Council

Derek McCrindle, Scottish Enterprise

Donna Fordyce, Scottish Enterprise

Marion Beattie, Skills Development Scotland

Dominic Kerrigan, Young's

Stewart Stevenson MSP, Banffshire & Buchan Coast

Dr Eilidh Whiteford MP, Banff & Buchan

Nathan Sparling, Assistant to Eilidh Whiteford

Allan Crockart, Scottish Seafood Association

Jimmy Buchan, Scottish Seafood Association

Ross Rennie, Scottish Pelagic Processors Association

Duncan Abernethy, North East Scotland College

John Murison, Fraserburgh Harbour Commissioners

Tommy Boyle, Fraserburgh Harbour Commissioners

James Bream, Aberdeen & Grampian Chamber of Commerce

Lorna Duguid, ONE Food, Drink & Agriculture

Patrick Hughes, Seafood Scotland

Apologies

Belinda Miller, Aberdeenshire Council

Bill Showalter, Young's

John Mullen, Young's

Angie Millet, Peterhead Jobcentre Plus

Kate Cumming, USDAW

Peter Chapman MSP

Lewis Macdonald MSP

Michael Clark, Scottish Pelagic Processors Association

Bertie Armstrong, Scottish Fishermen's Federation

Neil Cowie, North East Scotland College

Jennifer Craw, ONE Food, Drink & Agriculture

Graham Young, Scotland Food and Drink

1. Welcome and Introductions

1.1 Mr Wheelhouse welcomed everyone to the meeting and thanked everyone for their attendance. He reiterated the initial purpose of the Task Force and remarked

that the absence of some representatives pointed to a general feeling that the efforts to mitigate the impact of the decision by Young's to downsize their operations in Fraserburgh had been largely successful. He stated that that he hoped most people around the table shared that view.

1.2 He said that with this in mind, he felt that the immediacy of the Task Force work was largely complete but that did not mean that the work of the group was finished. He spoke of how the 3 key work streams had focussed on the many challenges and had been highly successful in mobilising people from central and local government, the various support agencies and the local community itself.

1.3 He suggested that as members heard the various updates at the meeting today on the work streams that we should all consider the best way in which to take future work forward.

2. Minutes and Matters Arising

2.1 Mr Wheelhouse reported that there were a number of actions from the previous meeting, noting that two of which were for Scottish Government to action.

On those points:-

Proposed Centre of Excellence Name

Mr Wheelhouse confirmed that officials have investigated the potential for use of Scottish in the name of the proposed Seafood Centre of Excellence and, while the ultimate decision lies with Companies House, they do seek SG approval as part of that process. As things stand, there would not be opposition from SG to using the word Scottish in any future Seafood Centre of Excellence.

Pelagic Landings

Mr Wheelhouse confirmed that a paper had been circulated offering members an update on the pelagic landings requirement and that a meeting took place in Edinburgh on Wednesday between the Processing Sector and Mr Ewing during which Mr Ewing reiterated his determination to find a viable solution and that further discussion would take place on this later at Agenda item 6.

2.2 Marion Beattie then provided a quick update on the **Transition Training Fund** and reported that there were 3,877 applications for Scotland overall. Of these, 1,651 applications for funding have been approved. As a proportion of Scotland, Aberdeenshire accounted for 23% of all applications with 24% of applications approved for funding and constituted 24% of approved spend in Scotland. Broken down to the Banff and Buchan 2014 constituency sees figures of 7% of all applications, 8% of applications approved for funding and 7% of committed spend in Scotland. She also advised that there has been some great case studies coming through. Mr Wheelhouse asked if there were any figures for the Fraserburgh area, Marion said she the figures at present relate to the Banff and Buchan area but that she would investigate whether a further breakdown was possible. Mr Stevenson asked that notice be taken of how quickly the area meets surrounding areas such as

Strichen and said that it might be useful to extend boundaries or take surrounding areas into account given proximity and potential commute.

ACTION – Group to be provided with TTF figures relating to Banff and Buchan area.

2.3 Allan Crockart advised that the Scottish Seafood Association has undergone structural and organisational changes and welcomed Jimmy Buchan, saying that a main part of his remit was to establish greater liaison with Scottish Enterprise and the other agencies.

2.4 The minutes of the previous meeting were agreed.

3. Work stream 1 – support for the workforce

3.1 Marion Beattie provided a detailed overview of the support to the affected workforce in talking to TF6 – Paper 1. She made it clear that SDS continue to monitor the situation and offer is still open for everyone impacted to engage and receive support.

3.2 Mr Wheelhouse then invited Dominic Kerrigan to provide an update on the current situation and the outlook for Young's in Fraserburgh. Dominic started by acknowledging the role of the partnership and the action undertaken which he thought was extremely effective, thanking everyone involved in the Task Force for their effort on this. He went on to say that it is "business as usual" for Young's, pointing to a win of another contract which has helped with the loss of the contract that lead to the original redundancy situation. He explained that at the Fraserburgh facility the company was working with around 200 employees and 80 agency staff, that this has been static over the past 6 months or so and that he expects it to remain that way. He spoke of the company now identifying new markets for their product and specifically mentioned targeting the food service industry. He mentioned Young's selling a cold store to Lunar in October and transferring 5 staff over at that point. He closed by reiterating that it was essentially business as usual and that they are not expecting any changes to that in the foreseeable future.

3.3 Mr Wheelhouse thanked both Dominic and Marion and asked Fraser Dyburgh to provide some comparison of the outcomes of similar Task Forces. Fraser explained that the 7% figure where affected people were still unemployed and claiming benefits compared favourably with those in same position after the Fife Task Force (17%) and Longannet Task Force (9%).

3.4 Eilidh Whiteford also thanked Marion and Dominic for their presentations and said that she felt the outcomes for the affected workforce was a great achievement and that the work has also brought the wider economic issues facing the area into more focus.

3.5 James Bream endorsed those comments but urged caution on the use of the 7% figure given the transient staff numbers, however Marion Beattie explained that the methodology for comparison of Task Force outcomes is the same across all, and

that any figures will only ever take into account those that have engaged with the services following redundancy.

3.6 Mr Wheelhouse then reiterated his thanks to all for the work on the work stream.

3.7 John Davidson offered a quick overview of the new Scotland Food and Drink Strategy, talked of the aspiration to build on the success of the sector and how it will bring opportunities for all strands of the Sector to share in that success, through segmentation into specific areas such as Local, Domestic and International markets and encouraging smarter engagement with the procurement sector. Patrick Hughes then mentioned the Connect Local programme as another avenue of support for producers looking to enter new markets.

3.8 Mr Wheelhouse thanks John and Patrick and encouraged engagement with the new strategy and Connect Local.

4. Work Stream 2 – Supporting the fish processing sector

4.1 Donna Fordyce provided an overview of the support provided to help build commercial resilience and identify new business development opportunities for local seafood processors. She talked through FTF6 – Paper 2 and added that she is currently working with a number of seafood companies to encourage account management with a large number of *1 to many* support events underway. She spoke of the potential for growth following Brexit with the potential for more landings and that adding value to product will therefore become an even important aspect for processors. Her involvement with the EMFF assessment has allowed her to see for herself the huge potential for the sector with an oversubscription of bids from seafood processors and expressed some sympathy for the larger companies who are excluded for bidding. Mr Wheelhouse pointed out that the Scottish Growth Scheme could be an option for larger companies who are looking to get into the export market. Stewart Stevenson stated his frustration at the regulatory limits than can be given in support to companies but mentioned that in potentially less than 2 years that could all change. He stated that we should be looking to Norway as to how they support their seafood sector, while retaining access to single market, stating that while it won't change budgets it will no doubt move goalposts. Mr Wheelhouse responded by adding that the de minimus limit for seafood companies was set extremely low in comparison to other sectors – 30,000 Euros over 3 years.

4.2 Allan Crockart then raised the issue of engagement with Ministers over Brexit, asking where the processors were being heard. Jimmy Buchan said there is no point in building infrastructure if they have no engagement and a seat at the table around any Brexit discussions relating to the Seafood sector. Allan thanked him and said that processing sector here in Scotland needs to have a voice that is heard. The sector will require access tariff free to the single market in whatever form that takes. Mr Wheelhouse said he was hearing loud and clear and that he would pass these comments back to Mr Ewing. Allan Crockart thanked him and said that the processing sector needs to have a voice as they see opportunities in remaining in single market. Eilidh Whiteford agreed and said she felt catching sector were much more successful in being heard and that it was critical that all voices are heard, not

just catchers. She said that there were a lot of opportunities for sector but she felt all risks associated lie with the processors and that that was not right.

4.3 Allan Crockart wished to note his disappointment that no representation was at the meeting from Marine Scotland as they are inextricably linked with the key issues coming out of the Task Force and Mr Wheelhouse again said he would take that back to officials and Mr Ewing. Eilidh Whiteford then quantified this by saying that the SSA are a small organisation, but that they are growing and represent many more people than the Fishermen's Federation and should have a better voice to government. Jimmy Buchan added that the seafood industry in from "sea to plate" and needs to be seen as such.

4.4 John Murison added that the port had looked at many projects, including the E Auction, in the light of clear opportunities for North East and reiterated that the Port itself is of valuable importance to the area and it should be supported.

5. Work Stream 3 – Work Stream 3 – wider economic regeneration

5.1 Christine Webster, talking to Paper TF6 – Paper 3 provided an update on the work underway to generate alternative economic activity, grow business opportunities and target specific external investment for the area. She made the point that economic regeneration of any area is a long game and that the first stages are often invisible. She did say that funding was beginning to come through and more of the tangible benefits will be visible over the next year, mentioning sports pitch etc. She said there was a real focus on the built environment and efforts to mobilise and empower communities, with a reference to community projects wishing to focus on health projects in the past year and building on that now by bringing in environmental improvement. She spoke of longer term aims to increase the pipeline for younger businesses and how the enterprise hub which is in development will help with this.

5.2 Cllr Thomson noted that the refresh of the council's regeneration strategy had bedded down and that there was now complete buy-in from local politicians and stakeholders to the strategy and the projects which were flowing from that. Christine added that a plan is in place with available and asked the community to join them on the journey. Mr Wheelhouse thanked Christine for the update and acknowledged the wealth of work carried out.

5.3 Stewart Stevenson highlighted that some aspects of the paper circulated seemed more focused with inputs by the council as opposed to the outcomes, which he determined should be actual change on the ground. He said it is clear that the building blocks in place, but less clear on what the benefits to the community will be. Cllr Thomson acknowledged this and responded by saying that while the council wanted to quantify the effort going into the regeneration plans, there were also targets in place by which the success of the outputs could be measured. Christine Webster then promised to set out the destination. James Bream added that the community has been heavily involved and that some comfort is to be found in the attempts of the council to lever in funding from other sources.

5.4 Mr Wheelhouse spoke of a need to find a greater role for colleges within communities, referencing the Review of Innovation Services by Prof Reid, adding that colleges are often overlooked and that in having good connections within local areas are ideal innovation centres and should be playing into regeneration agenda.

5.5 There was some brief discussion on public transport infrastructure for area with Stewart Stevenson that simply getting from A to B was sometimes difficult and that some comparatively modest interventions, specifically to the A952 and the junction at the Toll of Birness could be made to improve reliability of journey times. Extending the dual carriageway from Ellon to Toll of Birness would also be advantageous.

6. Way Forward

6.1 Mr Wheelhouse remarked that over the course of this and previous meetings he believed that it was clear that the intervention to support workers had run its course. He spoke of his positivity that other work stream strands are being supported and developed by key delivery partners around the table today as part of normal business. He said that he was aware that officials have had various discussions with both the public sector partners involved and more importantly the Community Representatives, and that during those discussions an appetite for a change in structure had emerged. He spoke of the potential for some more focussed work to take place around the three key areas identified as being those that may bring some tangible benefits to the area, and asked for member to give thought to that while representatives spoke about these areas.

6.2 Mr Wheelhouse then invited Derek McDonald to give some background on the work undertaken around the proposed Seafood Centre of Excellence. He then introduced Jan Emery who gave a detailed presentation (TFG – Paper4) on what the opportunities were for any centre of excellence, the vision outlined for the centre and explained that a feasibility study would be undertaken, stressing the point that the Centre will only be a success if there is buy-in from all stakeholders. She also made clear that financial sustainability of the project would be essential. James Bream added that re-engagement between the community and the Scottish Government as a potential funding source as the concept moves forward is necessity.

6.3 Mr Wheelhouse asked John Murison to give an overview of the E-Auction proposal for Fraserburgh Harbour and John firstly thanked the Task Force for their work, mentioning that he felt that status had brought about some great focus for the area. Tommy Boyle then provided an update on the proposal, stating that an initial application to EMFF was to be submitted by January 17th but that various factors had affected that. He stated that the Harbour Commissioners were aware of the opportunities that Brexit may hold for the port and that they believed that the E-Auction would allow them to make most of these. He said that in financial terms the plan was now up at around £1.2m in cost and that they would be seeking 100% funding from EMFF for this, stating that they believed the application they are developing holds the collective and innovative features that would allow that level of grant. He made it clear that the project was at pivotal stage and that anything less than 100% funding would probably mean the E-Auction would not happen. He then

asked Mr Wheelhouse about the offshore wind opportunities for the harbour and Mr Wheelhouse responded by advising that a high level Economic Impact Assessment (EIA) in to the infrastructure requirements and economic impact of the Moray Offshore Windfarm O+M base would shortly be underway. It will focus on the three harbours MORL have identified at potential bases (Fraserburgh, Buckie and Wick), and will seek to demonstrate the economic importance of the O+M base pre and post development by quantifying GVA and jobs impacts. The findings of the EIA would then be used as part of any due diligence should there be a request for assistance once the preferred base/location has been confirmed and advised that he hoped that will be concluded in approximately 8 weeks time.

6.4 Mr Wheelhouse then asked Allan Crockart to give an update on the Pelagic Landing Requirement and referred members to TF6 – Paper 5 by way of an update provided by Marine Scotland officials. Alan advised that processing sector representatives had recently met with Mr Ewing on this issue and that engagement continues. Jimmy Buchan made the point that the markets are there for processors in the North East and that effort must be made to ensure the landing of sufficient fish into Scottish ports in order to grow the sector and for the benefits of the communities that rely on the industry for their livelihood.

6.5 There was a discussion about taking an approach in the sector which would create most economic benefit for Scotland rather than focusing only on catching and processing sectors. Better understanding how to maximise the total economic benefit and what this benefit would be from the sector would be best for the region

6.6 Mr Wheelhouse thanked all involved for the updates and again reiterated his view that work on these three key areas should be taken forward by focussed work on them individually, with key partners involved and all the time a hook back into him as Minister as and where required. He stated that Scottish Government officials would be involved in all the areas and that that would remain the case. He asked members if they agreed on this approach. The unanimous view of the task force was that this would be the best way forward.

6.7 Cllr Thomson wished to point out that members must not lose sight of the fact that the task force had helped hundreds of people during the original phase but that there is unfinished business on the three areas, he welcomed Mr Wheelhouse's commitment to remaining engaged through officials and directly if required and spoke of his wish for a long term legacy from the work. He added that if the feasibility study into the proposed centre of excellence determined it worthwhile then he would seek a commitment from SG to support. He also said that in his opinion, and based on what he had heard through the task force, that the pelagic landings obligation is something that would bring real opportunities for the North East.

6.8 Mr Wheelhouse thanked Cllr Thomson for his comments and welcomed the view from members that specific groups would be set up to focus on the three specific areas, he advised that SG officials would be in touch in order to determine the makeup and operation of the groups.

6.9 Mr Wheelhouse then thanked everyone for their hard work in the Task Force and also wished to put on record his thanks from all for Leisure Centre in Fraserburgh who have hosted the meetings.