

## **POLICY AND RESOURCES COMMITTEE – 13 JUNE 2013**

### **ABERDEENSHIRE EUROPEAN FISHERIES FUND AND CO-FINANCE**

#### **1 Recommendations:**

**It is recommended that the Committee:-**

- 1.1 Consider the expected shortfall in public co-finance funding to match the Aberdeenshire European Fisheries Fund over the next three financial years;**
- 1.2 Instructs officers to identify opportunities within Council budgets to re-allocate funding from Six Key Areas of Development where there is a match in order to secure co-financing for Aberdeenshire European Fisheries Fund;**
- 1.3 Requests receipt of an update report in September on the remaining shortfall in public co-financing.**

#### **2 Background/Discussion**

- 2.1 AEFF refers to Aberdeenshire European Fisheries Fund. The Aberdeenshire area was successful in securing European Fisheries Fund (EFF) Axis 4 budget of approximately £1.1million following submission of an Aberdeenshire Local Fisheries Development Strategy. The funds are targeted towards the sustainable development of fisheries areas through both capital and revenue projects. AEFF provides an opportunity for adding value to Aberdeenshire Council's strategic objectives and leveraging in additional financial resources.
- 2.2 AEFF has been operational since March 2012 and to date ten projects have been approved. Over £363,000 of AEFF funds has been committed to date. All AEFF projects require public co-finance on a pound for pound basis to match the EFF Axis 4 funds.
- 2.3 All AEFF projects require to meet eligible measures set out in Article 44 of EC Regulation 1198/2006. These are set out in Appendix 1.
- 2.4 EFF Axis 4 seeks to support both community and industry projects. Project co-finance is a key issue. Councils are seen as the main sources of co-finance. There are currently 12 Fisheries Local Action Groups (FLAGS) in Scotland. Scotland is the only member state in the EU without national co-finance for EFF Axis 4 projects.
- 2.5 Community projects have to date been more successful in identifying and accessing co-finance funding for AEFF projects.
- 2.6 AEFF project proposals being worked up by the commercial sector have found it much harder to identify and secure sources of co-finance from the council and other prospective public funders. This has led to a number of commercial

projects in Aberdeenshire being withdrawn at a relatively advanced stage of preparation, news of which has tended to discourage other commercial projects being developed.

- 2.7 Bodies associated with the fisheries industry (e.g. Seafish) whose resources would qualify as public sector co-finance have been reluctant to assist when presented with project applications. In general this is due to a lack of available funds.
- 2.8 Approximately £594,000 of AEFF funds remain to be committed by December 2013. These funds require public co-finance on a 50:50 level. It is anticipated that public co-finance of £446,096 will be required for delivery of current and indicative projects. This assumes that AEFF can identify a portion of public co-finance from other sources. An anticipated yearly financial breakdown on required co-financing funds is identified in Appendix 2 based on current AEFF projects and indicative future projects.
- 2.9 Inability to commit AEFF funds through the current AEFF Axis 4 programme may affect any future financial allocations of future European Fisheries Fund monies for Aberdeenshire.
- 2.10 The Head of Finance and the Monitoring Officer within Corporate Services have been consulted and are in agreement with the proposals.

### **3 Equalities, Staffing and Financial Implications**

- 3.1 An equalities impact assessment is not required as the recommended financial implications do not have a differential impact on people with protected characteristics.
- 3.2 All individual project applications to AEFF are required to demonstrate that they have considered discrimination, disability and equal opportunity issues at all stages of the project life cycle and that the project has been structured to ensure that equal opportunities will be mainstreamed throughout.
- 3.3 There are no additional staffing implications and the financial implications are the subject of this report.

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**Head of Economic Development**

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Appendix 1

**Summary of EFF Axis 4 Eligible Measures and Aberdeenshire Strategic Priorities**

**AEFF Eligible Measures from Article 44 of EC Regulation 1198/2006 European Fisheries Fund Axis 4 “Sustainable Development of Fisheries Areas”**

- a) Strengthening competitiveness of fisheries areas;
- b) Restructuring & redirecting economic activities by promoting eco-tourism;
- c) Diversifying activities through creation of additional jobs outwith the fisheries sector
- d) Adding value to fisheries products;
- e) Supporting infrastructure & services for the benefit of small fisheries communities;
- f) Protecting the environment in fisheries areas, regenerating and developing coastal hamlets and villages with fisheries activities and protecting and enhancing the natural and architectural heritage;
- g) Re-establishing the production potential in the fisheries sector after natural or industrial disasters;
- h) Promoting inter-regional and trans-national cooperation among groups in fisheries areas;

Appendix 2

**Anticipated Aberdeenshire Council co-finance breakdown by financial year**

The total EFF Axis 4 project budget for Aberdeenshire is £957,690. To date £363,447 has been committed in AEFF funds. The balance remaining to be committed is £594,243

<b>Allocation</b>	<b>£</b>
Total AEFF Project Budget	£957,690
Total funds committed to May 2013	£363,447
<b>BALANCE</b>	<b>£594,243</b>

Based on the cashflow projections it is anticipated that public co-finance of £446,096 will be required for delivery of current identified and indicative projects. Round 5 applications to the programme will be notified of outcome in June 2013. To date a small portion of projects have levered in co-finance from the public sector. The balance remaining to be committed of £594,243 subtracted by the potential Round 5 commitment gives a balance of £346,170.

<b>Allocation</b>	<b>£</b>
Total AEFF Project Budget	£957,690
Total funds committed to May 2013	£363,447
Potential Round 5 commitment	£248,073
<b>BALANCE</b>	<b>£346,170</b>

An indicative amount of £346,170 has been calculated should Aberdeenshire Council funding be identified. This is broken down into spend by financial year below. This assumes that AEFF can identify the balance in public co-finance from other sources to fully commit the programme.

<b>Year</b>	<b>Anticipated Aberdeenshire Council funding</b>
2013/14	£120,000
2014/15	£200,000
2015/16	£26,170
<b>TOTAL</b>	<b>£346,170</b>

