

Report to: Charity Committee Planning Meeting

Date of Meeting: 26 February 2018

Report Title: FLAG ICE MAKER GRANT REQUEST

Report By: Ian Sycamore

Purpose of Report

To seek approval from Foreshore Trust on the allocation of a grant to Hastings Fishermen's Protection Society (HFPS) to contribute towards to cost of replacing their icemaker, with the resulting project budget to be paid from the FLAG programme.

Recommendation(s)

- 1. To give delegated authority to the Director of Operational Services or his nominee in consultation with the chair of the Charity Committee to issue to HFPS a grant payment of 20% towards the FLAG icemaker project (up to £16,000 grant), for this approved project application.**

Reasons for Recommendations

HFPS have applied and received approval for funding through the FLAG programme to replace their icemaker. The grant intervention rate from the European Maritime Fisheries (FLAG) Fund is 80% of the project costs. For the remaining 20% match needed, several other funding sources have been explored. Unfortunately the other sources of funding are ineligible due to several reasons, including the creation of jobs vs safeguarding jobs.

Additionally the Hastings fishing fleet, of under 10 metre boats and beach launched, working within the current quota system means that income and finances can fluctuate. Due to this quota allocating, the fish market cannot process sufficient fish to enable repayment of any loans offered to it at this time. This project will therefore not happen if HFPS cannot secure a grant for the 20% match.

A Foreshore Trust grant, along with the FLAG funding, will enable HFPS to replace their icemaker with resulting benefits.

Introduction

1. An icemaker is of integral importance to Hastings fishing fleet and the community. Ice is used by fishermen to take to sea to keep fish fresh as well as preserving it once ashore. In addition the ice produced by the ice plant is also used by supply chain businesses including merchants, fish mongers, shops, restaurants and for the annual HBC's fish fairs and other community events held on the Stade and beach.
2. Hastings Fishermen's Protection Society (HFPS) is a friendly society representing the fishermen of Hastings. Hastings fishing fleet is entirely made up of under 10 metre boats and is a mixed sustainable fishery. Most of the fish caught is sold through the market, primarily through wholesalers.
3. The Hastings fish market hosts the only icemaker in Hastings and surrounding area but the current machines need replacing due to their age: they are over 15 years old and are no longer economically viable. They are inefficient and unreliable which results in high repair costs for the fish market and means that fishermen are left without ice for periods of time which is detrimental to their work and the quality of the fish. The current ice maker has cost £7,000 in breakdown repairs over the last quarter which isn't financially viable.
4. The icemaker directly supports 100 Jobs within the fleet. Without high performance ice, fish soon begins to degrade, losing its value, and therefore directly – negatively – impacting the viability of the fishing fleet. Investing in a new icemaker would support the storage requirements of the landing obligation by providing locally produced, high quality ice. In addition it would enhance the quality of the catch therefore enabling best price practice. This will lead to a more sustainable fleet and supply chain.

FLAG project and funding

5. The icemaker replacement project is the primary objective of the Hastings FLAG programme, and is the project which will have the most significant impact on the fleet and supply chain, aiding to the sustainability of the fleet and adding to the quality of the landed catch.
6. HFPS and the FLAG officers have worked with partners to increase the intervention rate from the funder (European Maritime Fisheries Fund) from 50% to 80%, and have explored several other funding sources to make up the 20% match needed to enable this project to happen. Unfortunately the other sources of funding are ineligible due to several reasons, as previously stated.
7. Due to quota allocation, the fish market cannot process sufficient fish to enable repayment of loans offered at this time.
8. Without FLAG funding Hastings fishing fleet's viability is at risk.

Jobs safeguarded and wider economic impact

9. The project will indirectly supports 100 jobs within the fleet, and 3 direct jobs in the fish market. It is also of integral importance to the supply chain and wholesalers when transporting the fish. Without high performance ice, fish soon begins to degrade, losing its value, and therefore directly – negatively – impacting the fleet and wholesalers. Without ice, the industry simply wouldn't survive.
10. The tourism spend in Hastings associated with its fishing identity is estimated at 8.5 million Euros per annum (Headline finding of GIFTS research from FLAG1, <http://www.gifsproject.eu/en/hastings>).

Community benefit

11. For the sustainability of the fishing fleet, they need to keep the fish in prime condition, so all fishermen take ice to sea. Without the ice the viability of the fleet is reduced and the heritage the fleet brings to the local community would be reduced or even lost.
12. The fish market is fully supportive of all fish fairs on the stade open space and supports local community events providing ice as needed, thus making them more viable.
13. As a coastal community, the Hastings fleet and beach area represent a strong part of the identity of the town and thus provides added value to the visitor economy, including the local community (for value see item 10).

Energy, water efficiencies and environmental impact

14. The new icemaker will meet 2017/18 specifications and will be more environmentally friendly and use less energy offering a cost saving and energy reduction to the fish market.
15. The current machine also loses lots of water which also incurs an additional waste cost and resource impact.
16. HFPS are looking to support the purchase and installation of two ice machines and an ice storage facility. These environmentally friendly machines will allow ice to be available at all times and would support the storage requirements of the landing obligation by providing locally produced, high quality ice.
17. The icemaker ensures the viability of the Hastings fishing fleet which is entirely made up of under 10 metre boats and is a mixed sustainable fishery with low environmental impact.
18. HFPS and fishing industry will review the pricing system and management of ice to ensure revenue meets costs of running the icemaker. Any profit made will go back into the maintenance of the machine(s), and to offset depreciation, ensuring sufficient budget remains to replace them in the years to come, though it is expected this they will last for 10-15 years. HFPS is a friendly society representing the fishing industries interests.

Costings, Grant, Loan

19. Total approx. FLAG project cost is £80,000
20. The project application submitted is £79,217
21. EMFF (FLAG) grant: 80% = £63,374 - approved
22. Additional match funding needed: 20% = £15,843
23. Grant requested from Foreshore Trust is £15,843
24. HFPS are unable to cash flow the project costs and have requested the council provide a loan, cash flowing the EMFF grant. A precedent for this was set in FLAG1 with the project BIG Beach 3 – Winch Huts, Telehoist and Environmental Clean-Up where a suitable loan/cash flow agreement was drawn up. This agreement is currently being drafted.

Timetable of Next Steps

25. List of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Assessment of FLAG project application	Approval of the project	Approved	FLAG managing authority
Implementation of project	Project start and loan cash flowed	ASAP	HFPS and HBC
Allocation of match funding grant	Charity Committee meeting	19 March 2018	FT
Loan agreement signed	Before project start	Expected 19 March 2018	HBC
Recovery of costs from FLAG	FLAG claims	Ongoing during project	HFPS (to return to HBC)

Wards Affected

Old Hastings

Implications

Relevant project tools applied? Yes – FLAG application process undertaken

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	none
Crime and Fear of Crime (Section 17)	none
Risk Management	HBC loan needs repayment from HFE
Environmental Issues	Improved efficiency of new Ice Maker
Economic/Financial Implications	FT grant issued in return for economic benefit
Human Rights Act	None
Organisational Consequences	Loan contract administration
Local People's Views	Improved benefit to fishing fleet
Anti-Poverty	None

Additional Information

None

Officer to Contact

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