1. Purpose of Report

1.1. To provide Cabinet with an update on the establishment of the North Thames Fisheries Local Action Group (FLAG).

1.2. To seek agreement from Cabinet for the Council to be a formal partner to the FLAG and actively participate in its delivery over the next three years as set out in the draft Partnership Agreement (Appendix 1).

2. Recommendations

2.1. That the North Thames Fisheries Local Action Group (FLAG) be supported given its potential to make a positive impact on the fisheries sector locally.

2.2. That the draft Partnership Agreement in Appendix 1 be agreed in principle and that authority be delegated to the Director of Regeneration and Business Development in consultation with the Portfolio Holder for Culture, Tourism and the Economy to agree the final Partnership Agreement and sign it on behalf of the Council.

2.3. That FLAG capital projects be forward funded by the Council up to a maximum of £120,000 p.a. (inc VAT) over 3 years which will be fully repaid in arrears and that authority is delegated to the Director of Finance and Resources and Director of Regeneration and Business Development in consultation with the Portfolio Holder for Culture, Tourism and the Economy to agree any financial contribution to the FLAG by the Council on a case by case basis.

2.4. That the initial Leigh Port feasibility study be funded by the Council at a total cost of £65k funded from the Business Transformation reserve which will be reimbursed by the FLAG in arrears following MMO approval.
2.5. That existing funding which is already within the Council’s budget for related projects is used as match funding and/or to lever additional investment for FLAG projects where appropriate and relevant.

3. Background

3.1. FLAG status is awarded via a competitive process and seeks to enable local fishery communities to address the challenges faced by the sector at a grass-roots level using the knowledge of local stakeholders to tackle local issues. It is funded by the European Maritime and Fisheries Fund (EMFF).

3.2. A FLAG is not a legal entity in and of itself but a board of different organisations and stakeholders with a status which means it can access ring-fenced funding as well as access other funds with greater expectation of success. As a result it requires partnership agreements to be signed by all partners.

3.3. The FLAG is separate to the Kent and Essex Inshore Fisheries Conservation Authority (IFCA) and will operate independently of it.

3.4. As with most European funding FLAG status is awarded in rounds and in the 2016 round a partnership, led by the Thames Estuary Partnership (TEP) and supported by Council Members and officers, Leigh Coastal Community Team, the Cultural Engine and the local fishing industry, was successful and secured a FLAG for South Essex (Southend to Thurrock), though predominantly focused on Southend, and specifically Leigh-on-Sea.

3.5. The North Thames FLAG has been awarded €800k over 3 years (2017-2020) to deliver a range of projects against their 5 priority themes:

- Leigh Quayside infrastructure: To secure improvements to the quayside and channels that enable access to the port, creating well-functioning commercial spaces and ensuring that the port is fully accessible by all boats.

- Environmental Monitoring: Changes in the estuary environment have seen some species disappear (shrimp) while others have thrived (Thornback Ray). Long term research in partnership between the industry, academics and other stakeholders will help to reconcile anecdotal data with formal scientific analysis thus helping to inform marine and fishing policy and management.

- Combined fish/shellfish marketing: Collaboration between the industry and other partners to better promote the FLAG catch as sustainable and distinctive to the area, creating higher margins and new sales opportunities, and encouraging more direct sales to businesses and communities.

- Training and Marine Academy: To help up-skill new entrants to the industry and provide bespoke training for marine related courses in the local area, as well as offering training/advice for local businesses supporting sustainable links between the fishing industry and the wider maritime and business community.

- Culture and heritage: Recognising the deep cultural heritage of fishing and the active port to the FLAG area, there will be activity to celebrate and promote the
industry locally (including cooking), with close links to on-going or developing
heritage and cultural projects.

3.6. As a result of securing FLAG status investment, activity and profile, which
wouldn’t otherwise have been levered, will be delivered to the benefit of North
Thames fisheries. These are a unique part of Southend’s economy and play a
significant role in the national shell fishing industry.

3.7. Some of the actions to deliver against these objectives will be delivered by the
FLAG, others will be delivered by partners who can submit applications to the
FLAG in response to funding calls that they issue to deliver on their behalf.
These ‘third party’ bids will have to be agreed with the Marine Management
Organisation (MMO) prior to award.

3.8. Match funding is on a 44:56 (FLAG:match) ratio with funding paid in arrears
based on full and compliant evidence. This ratio needs to be achieved across the
totality of the FLAG funding award of €800k, not on an activity by activity basis. In
the FLAG application a number of other related funds have been identified to give
an indication of other funding sources the FLAG may bid into to lever match
funding.

3.9. Thames Estuary Partnership (TEP) is a partnership (company limited by
guarantee) hosted by University College London. It was established 20 years ago
to be a neutral party across whole Thames Estuary which seeks to help maritime
related groups collaborate.

3.10. TEP is the FLAG lead partner. As a result they have the responsibility for all the
administration of the partnership and are able to draw down 15% of the funding to
cover overheads. The funding will also cover two members of staff (part time) to
support the FLAG – an administrative officer based within TEP and a project
Animator based in Southend at the Cultural Engine. These posts have recently
been advertised.

3.11. As a community led partnership a partnership agreement needs to be put in place
with the Council. The roles and responsibilities of the Council in relation to the
FLAG are set out on page 34 of the Partnership Agreement (Appendix 1).

3.12. The first piece of work the FLAG would like to undertake is a feasibility study
for which they have received a quote of £65k from Mott McDonald, one of the
Council’s term contractors. The Council has been asked to underwrite the £65k
cost of the study to be reimbursed in arrears following MMO approval. This could
be managed through the Council’s coastal engineer and colleagues involved with
the Shoreline Strategy.

4. Options

4.1. The Council has the option to participate in the FLAG as set out in the
Partnership Agreement, to seek alterations to the Partnership Agreement or to
decline to support the FLAG. The latter of these options does not accord with the
Council’s prosperous corporate priority or its desire to support and enable
community-led economic growth. Nor does it reflect the support provided by
Members and officers in securing FLAG status. Officers have considered the
Partnership Agreement and believe the roles and responsibilities set out in there are reasonable and that proportionate and appropriate measures to manage the resource commitment to the FLAG can be put in place so that the partnership agreement can be signed and the FLAG formally supported by the Council.

5. Reasons for Recommendations

5.1. The fishing industry, while representing a small proportion of Southend’s economy, is a significant contributor to the national shell fishing sector and plays an important role in the heritage, community and offer of Leigh-on-Sea. It has not benefitted from investment of this kind previously so this offers a unique opportunity to better tell the story of fisheries in Leigh while deriving the benefits outlined in 3.5.

6. Corporate Implications

6.1. Contribution to Council’s Vision & Corporate Priorities

**Prosperous** – The FLAG is seeking to secure greater economic prosperity for the maritime economy in the North Thames, particularly around Leigh-on-Sea. It also serves as an attractor for tourism spend and activity.

6.2. Financial Implications

The Council is being asked to forward fund financial contributions to the FLAG through loan and/or investment payments. This is to assist with TEP’s cashflow as FLAG projects must be forward funded with FLAG funding repaid retrospectively as part of a claim process which isn’t unusual for European funding.

Where the Council is asked to provide the project funding as a loan, to be paid retrospectively (to a maximum of £120,000 inc VAT each year for three years) this should be repaid on receipt of the funding from the MMO following the claim process. There is therefore a risk to the Council that it may not recover this investment should the claim not be upheld as the work will have been undertaken and the money paid. It would however enable a partnership, which the Council is party to, to deliver against its objectives. This loan funding would be through the Council’s normal Treasury Management activity.

Where the Council is asked to invest in a project the funding would not be returned but considered as part of the match funding ratio (56:44). In the first instance match funding should be sought from existing Council budgets for relevant, related activity. Where a request for match funding does not align with existing budgets, a report will be brought back to Cabinet to seek approval.

In both instances a case by case consideration of the activity to be funded and the resulting risks, value for money and wider regeneration and economic growth implications would allow this to be managed. In the case that the Council declined to provide the funding the FLAG would need to look to alternative sources. Approval for funding, including match funding outside of existing budgets, is to be agreed on an ad hoc basis in accordance with procedure, which may be an SO46, in order to meet funding deadlines.
6.3. Legal Implications

The Partnership Agreement will set out the formal relationship between the Council and the FLAG.

Where investment/loan funding is sought directly or to forward fund activity it may be prudent to have additional, supplementary agreements in place for each to take into account the values, risks, etc. of the individual projects.

6.4. People Implications

Committing to supporting the FLAG will require Councillor and officer time which is over and above that currently in place resulting in an opportunity cost to time spent working with the FLAG than on other activity. Conversely, where the FLAG’s interventions and activity directly correlate with Council activity this could add capacity to the Council through some delivery by the FLAG.

6.5. Property Implications

Leigh Bell Wharf and the foreshore, as two of the identified geographies for the FLAG, are owned and managed by the Council.

6.6. Consultation

The FLAG is a partnership of local community groups and individuals. Wide ranging conversation has been undertaken by TEP, Leigh Coastal Community Team (CCT) and the Cultural Engine to engage people in the development of the FLAG and secure sufficient support to be successful in obtaining FLAG status and funding.

The FLAG runs the length of South Essex from Southend to Thurrock, however activity is to be primarily focussed in Southend. Other South Essex Councils and Leigh Town Council should be made aware of the FLAG’s activity with an opportunity to participate and/or support as appropriate.

6.7. Equalities and Diversity Implications

None

6.8. Risk Assessment

The risks associated with FLAG delivery are owned by the partnership and TEP as the accountable body.

The financial risks for the Council which can be mitigated by considering resource commitment on a case by case basis.
6.9. Value for Money

Considering requests for loan and/or investment funding on a case by case basis will allow the Council to ascertain value for money as, at this stage, the exact activities and interventions are unknown.

6.10. Community Safety Implications

None

6.11. Environmental Impact

The FLAG has environmental aims and objectives so would seek to better understand the marine environment of the estuary and to bring about improvements where they are of benefit to the maritime economy, the local community and the natural environment.

7. Background Papers

None

8. Appendices

Appendix 1 – Draft Partnership Agreement