

7. Fisheries

7.1 Introduction

Fisheries has been integrated into the overall Local Development Strategy in the foregoing sections, however there is also a requirement to pull these elements together in one chapter on fisheries within the LDS, hence this section.

A strategy and business plan was produced for the previous FLAG programme though not implemented due to funding restrictions. However the information gathered during this previous exercise is still relevant and is incorporated into this chapter along with the information obtained from meetings with key stakeholders.

7.2 Baseline

Fishing is an integral part of the Orkney economy, and in 2012 the local fleet comprised 142 vessels spread across Orkney. This was a drop of 10 vessels from previous years when the fleet remained relatively unchanged. The vast majority of Orkney fishing vessels were comprised of creel fishing boats under 10m in 2012 (65% of fleet), followed by creel fishing vessels $\geq 10\text{m}$ which comprised 18% of the total fishing fleet.

Diagram 7.1: Orkney Fishing Fleet by Method

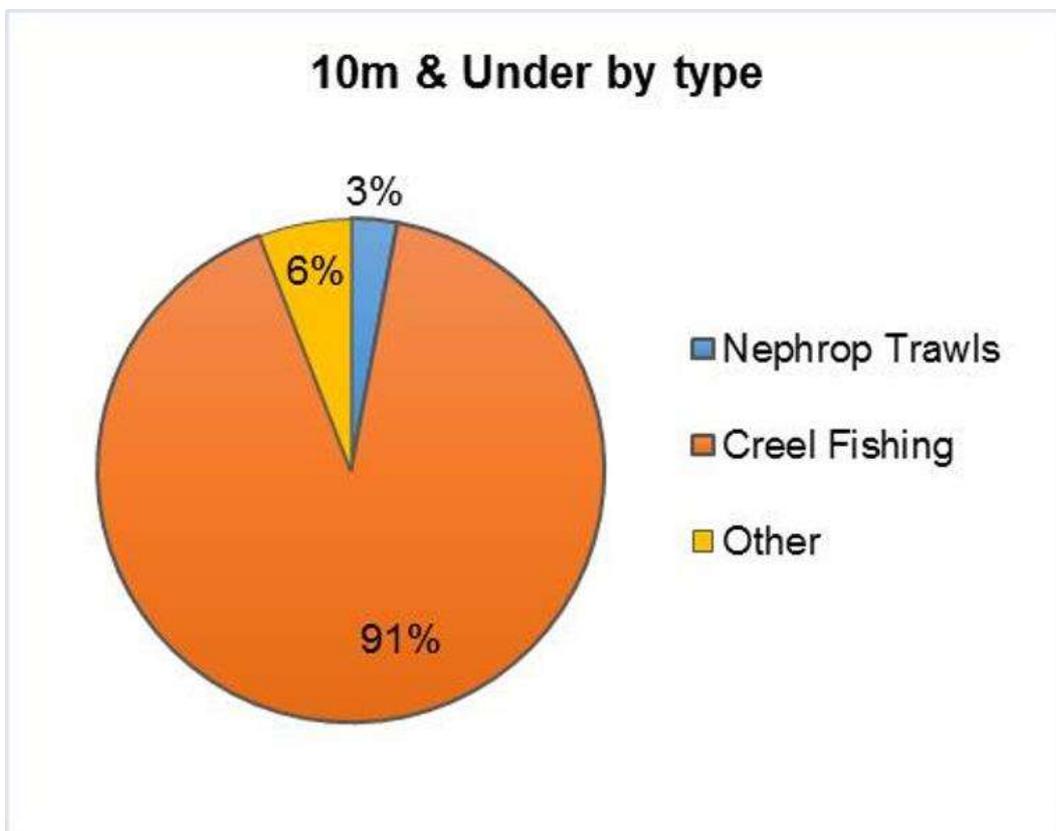
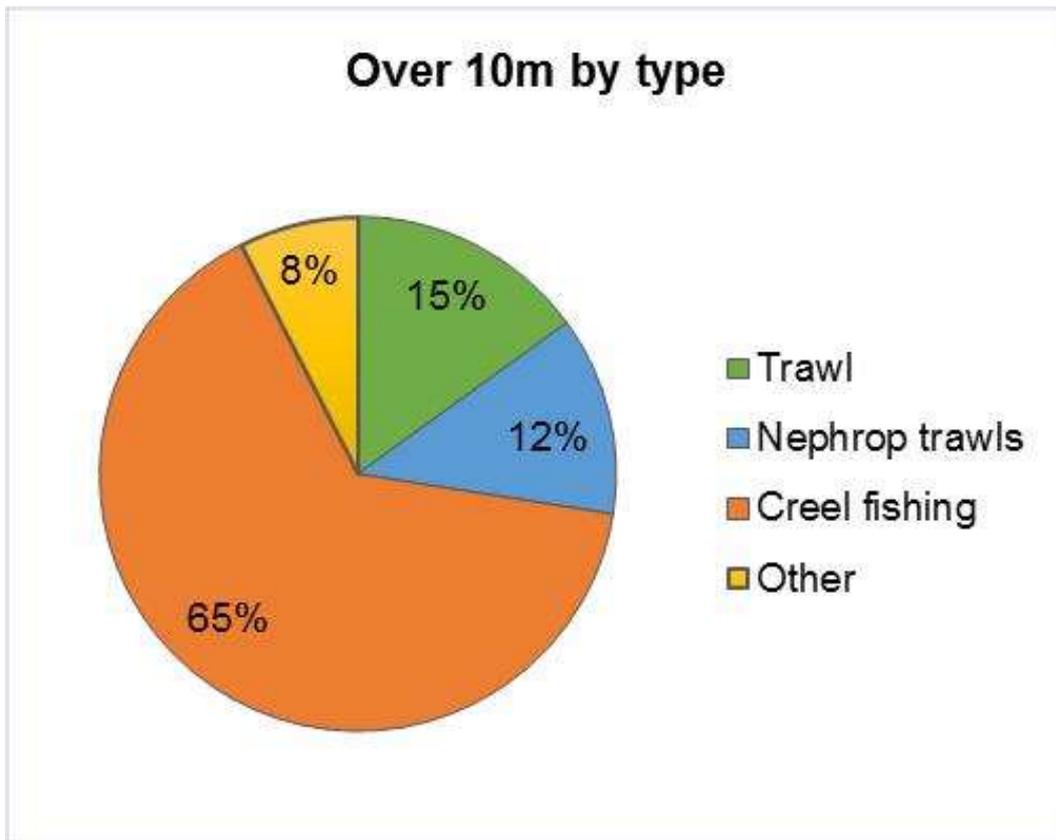


Table 7.1: Orkney fishing fleet by vessel length

2006: Total Vessels 153 The following is a breakdown of vessels by length in metres for 2006											
10 and under	111	More than 10 less than 15	31	15 less than 18	5	18 less than 25	1	25 less than 35	5	35 less than 50	0
2007: Total Vessels 155 The following is a breakdown of vessels by length in metres for 2007.											
10 and under	115	More than 10 less than 15	29	15 less than 18	4	18 less than 25	1	25 less than 35	5	35 less than 50	1
2008: Total Vessels 150 The following is a breakdown of vessels by length in metres for 2008											
10 and under	109	More than 10 less than 15	30	15 less than 18	4	18 less than 25	1	25 less than 35	5	35 less than 50	1
2009: Total Vessels 152 The following is a breakdown of vessels by length in metres for 2009											
10 and under	110	More than 10 less than 15	31	15 less than 18	4	18 less than 25	1	25 less than 35	5	35 less than 50	1
2010: Total Vessels 149 The following is a breakdown of vessels by length in metres for 2010											
10 and under	105	More than 10 less than 15	33	15 less than 18	4	18 less than 25	1	25 less than 35	5	35 less than 50	1
2011: Total Vessels 152 The following is a breakdown of vessels by length in metres for 2011											
10 and under	109	More than 10 less than 15	34	15 less than 18	4	18 less than 25	4	25 less than 35	5	35 less than 50	0
2012: Total Vessels 142 The following is a breakdown of vessels by length in metres for 2012											
10 and under	102	More than 10 less than 15	32	15 less than 18	3	18 less than 25	1	25 less than 35	3	35 less than 50.	1.

Table 7.2 Orkney fishing fleet by main fishing method Source: Scottish Sea Fisheries Statistics 2012: Vessel Tables

10m and under			Over 10m – Pelagic			Over 10m – Demersal				Over 10m – Shellfish		
Nephrop Trawls	Creel Fishing	Other	Purse Seine	Pelagic Trawls	Other	Trawl	Seine	Lines	Other	Nephrop Trawls	Creel Fishing	Other
3	93	6	0	0	0	6	0	0	0	5	26	3

The table below shows the quantity and value of all fish landings into Orkney from 2008 – 2012. The quantity of landings made in 2012 has risen since 2008, however shows a drop of approximately 450 tonnes from the previous year's quantity. The value of landings has fluctuated over the period, and the 2012 value of £6,491,000 is slightly below the five year average of £6,670,000. The breakdown of landings by type for the last 5 years can be seen in Table 7.5.

Table 7.3 All fish landings in Orkney - Source: Scottish Sea Fisheries Statistics 2012 Landings Tables

Year	Quantity (tonnes)	Value (£000s)
2008	2,952	5566
2009	3,350	6257
2010	3,676	7460
2011	3,943	7575
2012	3,492	6491

Shellfish landings made up the vast majority of fish landings into Orkney. The total shellfish landings for 2012 made up 98% of total fish landings for 2012, which is consistent with past figures. These trends clearly illustrate the importance of the shell fishing industry to Orkney, the extent of which is visually represented in Figure 7.2.

Table 7.4 All fish landings into Orkney 2008 – 2012 - Source: Scottish Sea Fisheries Statistics 2012 Landings Tables.

Quantity (tonnes)						Value (£000s)					
Year	2008	2009	2010	2011	2012	Year	2008	2009	2010	2011	2012
Total Demersal	36	1	1	59	40	Total Demersal	66	1	1	82	52
Total Pelagic	7	3	2	10	13	Total Pelagic	4	3	2	10	20
Edible Crabs	1688	1830	2215	2561	2291	Edible Crabs	1860	1964	2773	3027	2784
Green Crabs	125	136	135	162	143	Green Crabs	68	77	82	104	92
Lobsters	120	146	138	143	127	Lobsters	1289	1505	1451	1513	1308
Periwinkles	58	70	72	54	39	Periwinkles	72	82	153	109	89
Scallops	145	150	236	286	316	Scallops	395	417	605	796	841
Velvet Crabs	837	909	838	640	463	Velvet Crabs	1871	2135	2348	1856	1155
Whelks	11	101	29	0	0	Whelks	6	53	15	0	0
Other Shellfish	7	8	9	30	61	Other Shellfish	28	25	30	82	149
Total Shellfish	2990	3350	3673	3876	3440	Total Shellfish	5589	6259	7456	7487	6418
Total Landings	3033	3355	3676	3945	3492	Total Landings	5660	6263	7460	7580	6491

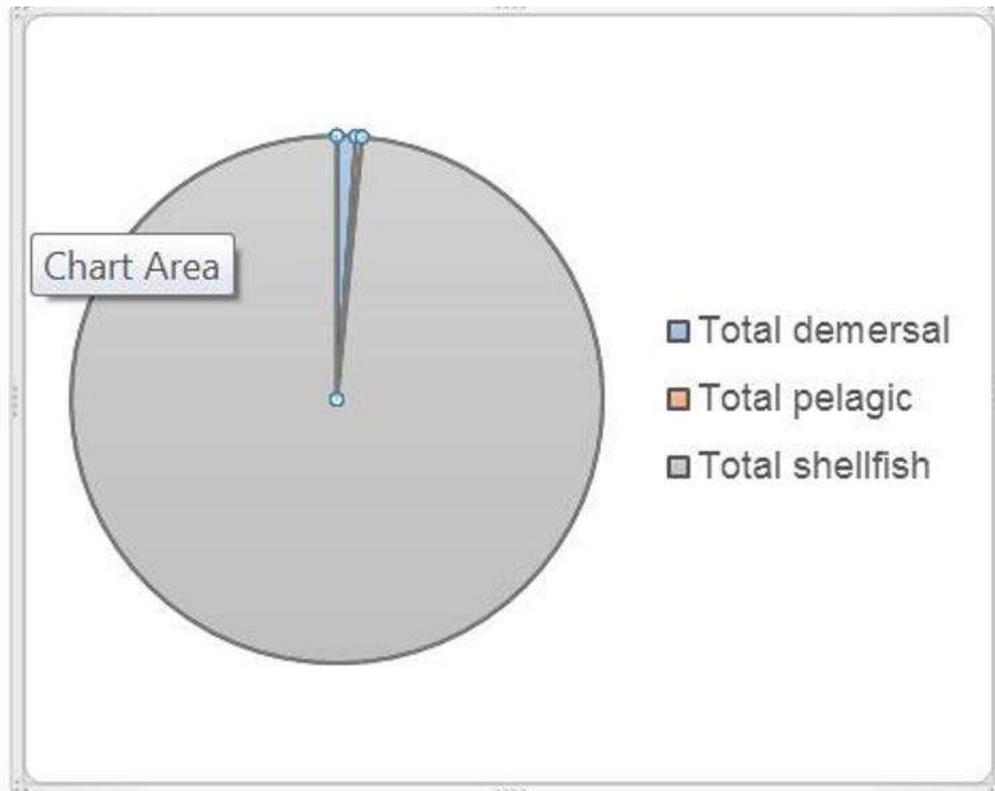


Diagram 7.2: Fish landings (tonnes) in Orkney, 2012. Source: Scottish Sea Fisheries Statistics 2012: Landings Tables.

The total landings in Orkney are nearly all from locally based boats. In addition there are local boats that land outwith Orkney. This is estimated to be worth nearly £7 million thus the total value of output for the local catching sector is around £13.5 million.

The local fleet is widely distributed throughout the islands though the main concentrations are in Kirkwall, Westray, and Stromness.

Aquaculture

Scottish Government figures indicate that in 2012 there were 73 people employed in the salmon farming industry in Orkney (66 full time and 7 part time). However, figures reported by the Scottish Salmon Producers Organisation (SSPO) reported that direct employment by members in Orkney increased to 91 in 2011. Salmon production reached a high in 2012 of 11,694 tonnes, a 54% increase on the previous year's production levels and the highest recorded production in the last 10 years, however estimated production levels for 2013 indicate a drop to 10,381 tonnes.

Salmon smolt production in Orkney was estimated at 130,000 in 2012, an increase of 12,000 since 2011. The estimated smolt production for both 2013 and 2014 was 140,000, which would equate to 0.3% of the total estimated Scottish smolt production (42,143,000 smolts) for 2014.

Atlantic salmon stocks had an 80.6% survival rate in 2010 in Orkney, which is an increase of 7% on the average survival rate of 73.6% over the last 10 years.

In addition to finfish, there were 6 registered shellfish producers active in Orkney in 2012, with total employment of 2 full time and 3 part time employees. 2 of these businesses were producing (described as “placing on the market for the table and on-growing”) according to the Scottish Shellfish Farm Production Survey for 2012. The number of employees in 2012 has decreased since 2011, when there were 3 full time staff and 3 part time staff employed. This is contrary to the Scotland-wide trend which indicated that employment numbers in 2012 were up by 4% from the previous year.

New sites are being investigated and developed therefore it is likely there could be growth in output and employment in future years, e.g. Gairsay Sound off Wyre.

Fish Processing

There are 3 fish processing plants in Orkney: Pierowall Fish located on the isle of Westray, Jolly’s of Orkney, and Orkney Crab, all of which deal primarily with shellfish processing. These are primarily family-run and supply fresh and smoked seafood to both local and UK-wide customers.

Orkney Fishermen’s Society (OFS) run Orkney Crab which is the main shellfish processor on the islands, with its crab processing plant located at Stromness. It is one of the UK’s largest processors of brown crab currently employing around 70 individuals onshore. The OFS produces a variety of crab products for retail, wholesale and export markets, and have recently opened a fish shop close to the crab processing plant.

Summary

In overall terms the fisheries sector employs nearly 600 people directly and supports another 600 throughout the economy. This represents over 10% of total employment. The value of direct turnover is over £50 million and in gross terms comes to around £85 million.

Sub sector	Direct employment 2012			Multiplier	Gross employment
	FT	PT	Total		
Catching	235	119	354	1.237	437
Processing	n/a	n/a	113	4.938	558
Aquaculture	n/a	n/a	n/a	n/a	n/a
Finfish	n/a	n/a	115	1.675	193
Shellfish	n/a	n/a	5	1.675	8
Total	n/a	n/a	587	n/a	1196

Table 7.5: Employment in Fisheries.

Notes: The multipliers are from the Regional Accounts report for Orkney; the aquaculture figure is from the SSPO for 2013

Sub sector	Turnover 2012	Type II multiplier	Gross output
------------	---------------	--------------------	--------------

Catching	£24.10m	1.690	£40.70m
Processing	£8.85m	2.149	£19.00m
Aquaculture	£30.80m	1.424	£43.85m
Total	£63.75m	n/a	£103.55m

Table 7.6: Output in Fisheries.

Notes: the processing figure does not include salmon processing; the aquaculture figures have been estimated based on an average value per tonne for around an output of 10,000 tonne plus a small amount for shellfish; the catching figure includes landings outside Orkney by Orkney boats as well as local landings. These figures reveal the clear importance of fisheries employment and output in the Orkney economy and the extent of the dependence on the sector.

7.3. Consultation

The key individuals and organisations within the fisheries sector were consulted as part of the LEADER consultation. These included:

- Orkney Fisheries Association – Fiona Matheson.
- Orkney Fishermen’s Society – Stewart Crichton.
- Orkney Sustainable Fisheries Ltd.
- Orkney Crab.

In addition other key stakeholders were also asked about fisheries during the LEADER consultation process as well as at public meetings e.g. OIC, HIE, and VS. This confirmed that most of the issues identified in the previous FLAG strategy were still relevant and that one of the key problems was freight costs especially for bait for shellfishery. These key stakeholders represent the vast majority of the local fisheries sector. For example, Orkney Fisherman’s Society is a co-operative largely owned by inshore fishermen for over 50 years. Orkney Sustainable Fisheries is a not for profit organisation set up in 2006 to run the local lobster hatchery and take forward various initiatives relating to the future of local inshore fisheries. As such, engagement with these organisations ensures all local fisheries communities and bodies are represented.

7.4. SWOTs

The SWOT analysis from the previous FLAG strategy, which is still considered valid, was as follows:

Strengths:

1. A well-established and highly recognised industry within Orkney with historical importance. In many instances the upcoming generation will work with their elders from a young age and learn the trade during this time. Through the years they will continue to gain knowledge and experience which will ultimately lead to them inheriting the family business.

2. High quality products available for those involved in the industry. Within the fishing waters of Orkney there is a good selection of high quality fishing available.
3. Extensive coastline, numerous islands and exchange of tides between North Sea and Atlantic provides rich habitat for crustacean.
4. Established stock management/enhancement and shellfish research work through lobster hatchery and the work of Orkney Sustainable Fisheries.
5. Strong brand presence within key UK retail markets and in frozen wholesale sector in France due to the perception of clean wholesome fish products.

Weaknesses:

1. Distance from boat to market. This could involve boats operating within the outer isles that need to get their stock to the Orkney Mainland for future distribution or mainland boats that need to get their stock to markets on the British mainland. Products such as cooked crab have a short shelf-life (maximum 5 days). Geographical remoteness and island locations means at least 1 if not 2 of these days is lost through transport.
2. All freighted requisites from bait to compressors add costs to fishing operations.
3. No local fish market. The nearest fish market is located at Scrabster in Caithness. As such, this involves stock being shipped across the Pentland Firth at an additional cost and time.
4. Historical lack of political support for sector (compared to agriculture for example).

Opportunities:

1. Growing consumption of crab in the UK and of Scottish shellfish in the far-east.
2. New product development for existing and emerging markets. Developing further products aimed at UK high-end retail markets (e.g. Marks and Spencer, Waitrose, Sainsbury) as well as export markets in Europe and the far-east.
3. Encouraging new entrants into the fisheries could allow the industry to develop and become more sustainable for the future. Developing training and marketing could help achieve this aim.
4. Extending the work of the lobster hatchery and the research programmes associated with it. Growing collaboration with the emerging marine renewable sector.
5. Develop opportunities for scientific research which will identify the sustainability or otherwise of local stocks and allow fisheries to be armed with data to enable calibrations to the effort to be taken if required and be ready in the face of EU insistence on scientific data that supports continued fishing.

Threats:

1. EU quotas. Uncertainty and concerns over the long-term structure of the quota system as well as its effect on the domestic (and local) fishing industry. Potential introduction of quota restrictions for brown crab fishery.
2. Retention of young people in the islands. If the fisheries industry is to survive there needs to be sustainable communities with a workforce willing to continue and develop the fisheries in Orkney.
3. Unrestricted development of other marine industries (aquaculture/marine energy) could severely impact on traditional fishing grounds.
4. Development of shellfish processing sectors in other countries (Ireland, Norway) could impact on European markets.
5. Increasing Fuel costs affecting fishing and freight.

From meetings with the fisheries members of the FLAG at the time it became clear that there are a number of issues and concerns relating to the current and future sustainability of the industry within Orkney. These include:

- Retention of young people within island and coastal communities in Orkney.
- Long-term social and economic stability of island and coastal communities in Orkney.
- Logistical difficulties in reaching markets.
- Impact of national / international regulations on fisheries.

The key challenges and opportunities for the fisheries sector that have been identified from the most recent consultation with the sector are as follows:

Main opportunities facing the fisheries sector in Orkney are:

- Product development.
- High quality product and productive and sustainable habitats.
- Stock management and research work.
- Build on Orkney brand e.g. for brown crab.
- Market demand.
- Local processing and value added.
Development of career opportunities.

The main threats facing the fisheries sector are:

- Distance from boat to market and transport costs.
- Lack of local fish market.
- Lack of local profile especially within schools.
- EU quotas.
- Maintaining the current fleet.
- Lack of local bait.
- Development of other marine industries.
- Increasing fuel costs.

7.5. Strategy Aims and Objectives

Within the overall LDS aim one of the five themes identified as a strategic priority is – Support development of the Orkney fisheries sector. This has been translated into an overall aim for fisheries as:

“Increasing and strengthening the vitality and sustainability of the fisheries sector and communities”.

As with the LEADER programme it is not proposed to have any geographic targeting given the dispersed nature of fisheries and the small scale of the communities.

7.6. Action Plan

The overall aim described above is likely to be achieved through support for actions that strengthen existing activities and develop new approaches to improving sustainability and could come from the following areas and types of projects:

7.6.1. Indicative Actions and Indicators

- Diversify fisheries related assets, e.g. boats.
- Enhance onshore facilities for the fisheries sector, e.g. chilled storage facilities for bait and catch to enhance quality and value.
- Fisheries related local research and data collection to improve understanding and management, e.g. lobster habitat, brown crab migration, regulatory order.
- Add value to fisheries products.
- Promote innovation at all stages of the fisheries and aquaculture seafood supply chain.
- Support for skills development, lifelong learning, and bespoke training opportunities.
- Encourage diversification within fisheries and aquaculture sectors as well as initiatives which create or enhance small scale fisheries within Orkney.
- Development of initiatives to improve data collection, infrastructure, identify new markets, and supply chain integration, e.g. cooperative processing and storage facilities.
- Assist fisheries communities to benefit from the introduction of Marine Protected Areas, growth of renewable energy projects, and sustainable developments in the marine environment.

Indicators and targets have been developed from the SMART objectives and are split into two categories – outputs and results as per LEADER actions. These are developed more fully in the business plan and the targets are yet to be quantified.

7.6.2. Funding and Budget

A range of funding sources will be used to help deliver the FLAG. These include:

- Highlands and Islands Enterprise (HIE).
- Coastal Communities Fund.
- Orkney Islands Council (OIC) schemes and development fund.
- Trusts.
- Private sources.

It is expected that funds will be attracted from EMFF Axis 4 funds and that this will be matched 50% by these other sources.

7.7. Business Plan and Finance

7.7.1. Programme Management

The FLAG will operate as a sub group of the LAG format and be serviced by the LAG secretariat. The FLAG group will meet separately to consider their strategy and business plan as well as applications for funding. Separate accounts will be kept of FLAG projects and approvals.

The FLAG group will have around 8-10 members and include representatives from the fisheries sector as well as other LAG members, including **Existing** and **New** members, is as follows:

Orkney LEADER 2014 – 2020 Proposed FLAG Membership	
Public Sector - Existing Members	
Organisation	Sector / Focus
Orkney Islands Council (OIC)	Local authority / EU Liaison (Current Chair)
Highlands and Islands Enterprise	Economic and social development
Visit Scotland	Tourism
Private and Third Sector – New Members	
Organisation	Sector / Focus
Orkney Fisheries Association	Fisheries
Orkney Sustainable Fisheries	Fisheries
Orkney Fishermen’s Society	Fisheries cooperative
Orkney Food & Drink	Food & Drink and Crafts
Isles Development Trust	Economic / Social development in the Isles

7.7.2. Equalities and Diversity

The LAG staff who will service the FLAG will be employed through the Orkney Islands Council therefore will be employed under their terms and conditions and thus the Orkney Islands Council’s Discrimination, Diversity, Disability and Equality Policies.

The LAG will ensure that all applicants either have appropriate policies in place or take appropriate action to meet EU equal opportunities and other relevant legislation in the implementation of their projects.

7.7.3. Communications and Publicity Plan

The FLAG will use a range of means to keep the public informed of what is happening, engage with local communities, and make people aware of the FLAG programmes and what can be supported. These include:

- Website – new or refreshed website.
- Leaflets and or print material such as a pop up banner.
- Press releases.
- Local radio and television.
- Workshops to discuss and review progress and the way ahead with agencies, community groups and applicants and potential applicants.

All written material (including text on the web site) will be in plain English with as little jargon as possible.

The website will be attractive, informative and user friendly, with interactive features. Website use (e.g. number of hits and pages visited) will be carefully monitored.

Local media representatives will be briefed to help create an informed and positive attitude to FLAG.

Orkney LEADER staff will take responsibility for communications, with professional support and advice from OIC's Press Officer and partner staff with press and PR experience.

7.7.4. Finance Plan

A finance plan will be drawn up to cover all costs each year of the programme from 2015 to 2020. Technical support and admin elements will be identified separately from project costs, business development, and networking and cooperation. The indicative funding profile will be constructed to show where all the income is expected to come from e.g. FLAG, public match (such as OIC, HIE, SNH, HS, Lottery), and private match (such as RSPB, businesses, charities and trusts, donations from larger businesses).

On the basis of its track record of the LAG with managing and spending its budget wisely and well, and the strong need identified in the strategy, it is suggested the Orkney FLAG should be awarded a higher amount of FLAG funding than the last time.

7.7.5. Monitoring and Evaluation

It is essential that a robust monitoring and evaluation framework is established at the outset of the programme so that the necessary data can be captured from the beginning and all applicants know what is required of them.

The evaluation report on the 2007 - 2013 LEADER programme identified this as one area where more thought was required, although it was clear that the last programme had been successful in delivering against the target indicators set out in the original business plan. It stressed the need to have more SMART targets and that the requirement needs to be integrated into the development phase to enable easier and more effective assessment and evaluation.

As a result the overall aim and strategic objectives have been carefully worded to aid evaluation and set up SMART objectives as well as a range of indicators. It is imperative that the applications forms are designed to get data on the position at the time of the application so that the same data is collated after the project is completed.

The framework to be adopted should be as simple as possible and not have too many confusing categories, thus it is suggested it should be limited to:

- Inputs: actual resources used in terms of money and people.
- Outputs: e.g. physical outputs such as no of training events provided, numbers attending courses, number of businesses and projects assisted.
- Results: overall impact of the project, e.g. the numbers of jobs created and safeguarded, income increased, population retained or increased, business turnover, number of visitors.

All of these measures will ensure that the public are engaged with the Fisheries Programme throughout its lifespan and will have ample opportunity to comment and feed into its running.

Account will also be taken of the overall requirements for the EU and Scottish Government for reporting on progress in relation to specific indicators. It is critical that all these indicators are defined prior to the start of the programme.