

Rother District Council

Report to: Cabinet

Date: 27 March 2023

Title: UK Shared Prosperity Fund support for Rye Fisheries

Report of: Ben Hook, Director – Place and Climate Change

Cabinet Member: Councillor Bayliss

Ward(s): Rye and Winchelsea

Purpose of Report: Agree the UK Shared Prosperity Fund capital spend

Decision Type: Key

Officer

Recommendation(s): It be **RESOLVED:** That:

- 1) the £170,000 UK Shared Prosperity Fund capital funding allocation be directed towards the Rye Fisheries project in partnership with Chapmans; and
- 2) the Director – Place and Climate Change be delegated authority to agree the terms of grant.

Reasons for

Recommendations: To support an industry now almost unique to Rye and its secondary impacts including health, tourism and sustainability.

The Chair of Council has already agreed that, subject to the approval of Cabinet, this decision can be taken as an urgent decision to allow the Council to formally confirm how the Council intends to spend the 2022/23 carry over no later than 3 May 2023.

Introduction

1. Chapmans is a fish wholesaler based in Sevenoaks and Rye. Chapmans purchased the Rye business in 2015 with an idea to set up the facility to allow fishermen to land from their boats directly into the premises. Over the years this approach has proved highly successful. The majority of the Rye fleet are day boats, so the fishermen catch and return on the same tide. They work directly with local Hastings and Rye fishermen who fish sustainably using under 10 metre boats, pledging to take 100% of the catch that a boat lands to provide their

fishermen/women with greater financial stability, something that not all fish merchants do.

2. The Chapmans team work closely with the local fishing community in Rye and all along the Kent and Sussex coast actively support them by paying fair prices promptly. These longstanding relationships with fishermen and their families allow understanding of the sector as issues arise including seasonal runs, and up to the minute awareness of quota allocations.
3. Fisheries along the rest of the south coast have moved to selling direct to Brixham Trawler Agents (BTA), Devon. BTA are in the process of offering free refrigeration units at ports across the south east, and cheap transportation back to Brixham, an approximate 500-mile round trip from Brixham to Rye. Much of the fish sold on Brixham's auction is then exported to Europe adding another 300-mile journey back to a UK port for export adding an extra 800 food miles. This is made possible through subsidy currently given to Brixham but offers an unstable future for local fishing boats.
4. The Fish Market in Hastings now has little to do with the Hastings boats with only 5 left, 2 of which land their catch to Rye. The remaining three boats sell to BTA Boats in Eastbourne who send their catch to Brixham on an individual boat basis.
5. Before Brexit approximately 95% of the fish landed at Rye was exported to the French and Belgium fish markets at a cost of £200 per export. This has now risen to £1,500 per export with vastly increased amounts of documentation for each export which relies heavily on the Council's Environmental Health team to authenticate. This means profits through exports have been severely hit.

Details of the proposals

6. The Chapmans' pledge to buy the whole catch, together with the rapidly changing market place, requires new ways of working internationally, nationally and locally. This needs a multi strand approach consisting:
 - a. Reducing the need to export to Europe
 - b. Selling more to the local / national market
 - c. Education locally to support the consumption of local, seasonal fish
7. In practice this means a new business model, based on sales to a new UK market. Chapmans have looked at doing this by:
 - a. **Selling fish direct to the public.** This has been done by Chapmans having invested over £50,000 into the set-up of a shop within the fisheries building. This has created 3 new jobs, 2 of which are local employees from Rye and is working successfully. There is a further proposal to develop a tasting room which can be used to host events.
 - b. **Selling unwanted and unused fish to the UK market in a palatable way.** This hopes to be done by the set-up of a kitchen space within the fisheries building to make quality stocks for sale to the restaurant market and smaller quantities to be sold on at a local market.

- c. **Re-educating and skills development.** The shop manager has relocated to Rye to bring experience of working in schools to encourage greater understanding of the fishing industry alongside preparing and cooking seasonal fish. Further to highlight the difference between this small boat fishing and larger environmentally destructive fishing practices.

Options

8. In 2021 the Council commissioned a feasibility study on how the fisheries can be developed and associated costs of turning these ambitions into reality. The feasibility came back with total project costs of £321,677 needed to renovate the business site to meet new business model requirements. Since then Chapmans have broken up the project into smaller discrete projects and have already completed the shop and are underway on the tasting room. However, for the development of the kitchen they are looking for grant support to allow this to happen.
9. The UK Shared Prosperity Fund (UKSPF) Investment Plan has the capital allocation of £170,000 put against this £321,677 fisheries project on the understanding that Chapmans would match fund the remaining of the project, £50,000 of which has already been funded. This ensures for some Levelling Up capital funding to go direct to a project in Rye further complementing the Levelling Up Fund grant in Bexhill and the Rural Prosperity capital money which will support business in rural Rother.
10. Grant agreement with Chapmans would expect that the business reinvests profits into the education and skills element of the new business model working with local schools, local skills development and training and with RDC tourism to help promote and market the area as a hub of sustainable and supportive fishing practice.

Funding Constraints

11. Following the development of the investment plans, which was submitted in early August 2022, the Department for Levelling Up, Housing and Communities (DLUHC) required further information regarding how outcomes were linked to proposed spend. The investment plan was finally approved in January 2023 which meant the 2022/23 spend was delayed. £8,000 of the capital funding was due to be delivered in 2022/23. The Council have been requested to formally confirm how it intends to spend the 2022/23 carry over no later than 3 May 2023, this means it would not be possible to wait until a future Cabinet meeting which could not occur until after the 24 May Annual Council Meeting, following the all-out District Council elections. Failure to meet the 3 May deadline would result in the 2022/23 allocation being reclaimed.

Conclusion

12. If Cabinet agree the £170,000 capital allocation for the fisheries project work can start immediately on developing the proposals and putting the proposition in place. The UKSPF allocation for 2022/23 has been carried forward into 2023/24 so spend can happen from April, subject to a formal grant agreement currently with legal, being signed.

Environmental Implications

13. Providing local landing and processing facilities prevents significant and needless emissions through large scale transportation along the south coast. The Chapmans' model of guaranteeing the entire landed catch also makes small-boat fishing more sustainable. With large-boat fishing relentlessly depleting fish stocks, the small boat support is needed to ensure a more sustainable industry into the future.

Legal Implications

14. The grant in this programme is below the 'de minimus' level of the new subsidy control scheme which came into force in January 2023. We have provided evidence of subsidy compliance to DLUHC as part of the investment plan approval process.
15. This decision meets the criteria of a Key Decision in that it involves expenditure over £100,000. However, this matter has not been published on the Council's Forward Plan of Key Decisions for the prescribed amount of time. It is therefore confirmed that in accordance with Access to Information Rule 15. Key-Decisions - Special Urgency, as the date by which this decision must be taken Access to Information Rule 14 (general exception) cannot be followed and the Chair of the Overview and Scrutiny Committee has agreed that the taking of this decision cannot be reasonably deferred for the reasons set out in paragraph 11 above.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Risk Management	No	Exempt from publication	No
Chief Executive:	Malcolm Johnston		
Report Contact Officer:	Ben Hook – Director of Place and Climate Change		
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Appendices:	None.		
Relevant Previous Minutes:	None.		
Background Papers:	None.		
Reference Documents:	None.		