

EXECUTIVE COUNCIL

CONFIDENTIAL

Title of Report: FIDC – Sea Trout Aquaculture Project

Paper No: 256/11

Date: 16th November 2011

Report of: GM FIDC - David Waugh

1.0 Purpose

- 1.1 To seek approval for the drawdown of additional funding from FIDC Reserves to fund the sea trout aquaculture project until the end of March 2012.

2.0 Recommendations

- 2.1 Approve additional Project Expenditure for the year of £35,000, which will be funded from FIDC's Reserves. This is to fund the project until the end of March 2012.

3.0 Summary of Financial Implications

- 3.1 None – The additional costs of £35,000 will be financed from FIDC reserves

4.0 Background

- 4.1 The sea trout aquaculture project had no funding allocated to it in the final version of the 2011-12 FIDC budget approved by EXCO in May 2011. At the time, it was envisaged that either the project would be taken over by the private sector or closed down and mothballed by the end of June 2011.
- 4.2 FIDC has been seeking to engage with the two private sector organisations who had previously expressed an interest in taking the project forward. Both organisations are an integral part of the potential commercial future of the project and their abilities / resources will be required if it is to become a viable business.
- 4.3 The discussions with the private sector have become protracted. The project has continued and been funded by FIDC during the first part of the financial year 2011-12 from within the existing FIDC budget.

5.0 Current Position

- 5.1 The FIDB was presented with an update paper at its meeting on 12th October 2011.

5.2 The paper advised that so far only one private sector organisation had been engaged successfully with the proposal to form a new private limited company which would become responsible for taking the project forward. The other organisation remained very interested in the project but was unable to provide the necessary commitments within the specified timescales.

5.3 The FIDB approved the extension of the project to the end of March 2012 to allow further time to try and secure the interest of the second private sector partner. The FIDB also approved £35,000 of additional funding for the operation of the project, noting this must be provided from FIDC Reserves as all existing approved funding for the financial year 2011-12 had already been allocated.

5.4 The new funding is required to continue the operation of the project and to undertake some essential capital improvement and maintenance works at the Moody Brook Facility.

6.0 Financial Implications

6.1 Additional Project Expenditure for the year of £35,000, which will be funded from FIDC's Reserves. This is to fund the project until the end of March 2012.

7.0 Legal Implications

7.1 None.

8.0 Human Resources Implications

8.1 None.