

# Consultation

August 2008

## The English inshore fleet – looking to the future

Last February, following a meeting with fishermen, I wrote to all licence holders setting out proposals for tackling the current difficulties in parts of the English under 10 metre fleet.

As you know, the difficulties are caused by an imbalance between the capacity of the under 10 metre fleet and available quota in the under 10 metre pool. This imbalance has become apparent now that quota uptake is more accurately monitored using data from the Registration of Buyers and Sellers Regulation.

I'm aiming to secure a sustainable future for the under 10 metre fleet, enabling as many fishermen as possible to operate viably and legally, so in February I proposed:

- a limited decommissioning scheme to help high catching vessels leave the pool;
- measures to prevent latent capacity becoming active;
- help to maximise returns from fishing;
- an environmentally responsible fishing project; and
- working with Producer Organisations.

These proposals are designed to provide a stable foundation from which, through a broader programme of work, we can build the sustainable inshore fleet that I'm seeking.



Andy Perry, MFA

Over two hundred fishermen responded to my proposals, giving a wide range of views from favouring them, to expressing concerns, especially – and understandably – about how the proposals might affect them individually. Having taken account of your responses, I'm now, as promised, providing more detail and analysis of the impacts of the proposals.

I invite your views on this formal consultation paper to make sure we can implement the right measures as soon as possible.

### Jonathan Shaw

Minister for Marine, Landscape and Rural Affairs  
and Minister for the South East

# The English inshore fleet – looking to the future



## Proposal 1: Decommissioning – tackling the issue of high catching vessels

### Overview

There is an imbalance between the amount of pool quota available and the capacity of the under 10 metre fleet to catch it. The reasons for this imbalance are complex but, if we do not act now, it is likely that some vessels will become economically unviable and be forced to leave the industry. Indeed, there is some evidence that this is already happening. We cannot accurately predict which vessels might leave or the structure of the remaining fleet.

We therefore propose to run a small decommissioning scheme to tackle the issue in a planned way. The scheme will give fishermen who operate high capacity vessels landing amounts of quota stocks, that cannot be reasonably provided by the pool, an extra option when deciding about their future. They will also have other options including continuing to live within the existing limits of the pool, joining a Producer Organisation, diversifying into less pressured stocks or out of fishing.

To achieve maximum impact within the available budget, we have designed a scheme that targets the highest catching vessels of those stocks where there is the greatest imbalance between the available quota in the pool and the capacity of the fleet to catch it. These stocks are:

- North Sea: sole, nephrops, whiting, cod, and skates and rays;

- ICES area VII: cod (VIIb-k), sole (VIIe), plaice (VIIa, f-g) and pollack.

Targeting vessels that rely on these stocks will have the greatest impact in helping high catching fishermen with insufficient quota as well as the remaining fishermen. This is because decommissioning some of these vessels will free up the quota which they would have caught if they had remained in the fleet.

### Who can apply?

The scheme is only open to English under 10 metre vessels fishing from the pool for the stocks listed above. We will set out details of the eligibility criteria in our guidance notes for the scheme when we launch it, however, the key criteria are:

- the vessel must be English. For these purposes, this is defined as a vessel registered at an English port; holding a Defra licence issued by the Marine and Fisheries Agency (MFA); and normally fishing out of and landing into an English port. These vessels will normally be administered from an English port.
- the vessel must have landed some quantity of at least one of the stocks listed above between January 2007 and June 2008 (inclusive). This is because we are seeking to target those stocks where there is the greatest imbalance.
- the vessel must have a capacity of 50 or more VCUs<sup>1</sup>. This is because higher capacity vessels generally land larger amounts of quota stocks.

<sup>1</sup> VCU = (overall length x breadth) + (kW x 0.45)

## Bids

We will be inviting fishermen to submit bids to us reflecting the amount of money they need to compensate for the loss of their vessel and their licence (as well as the scrapping costs). If we accept the bid and make an offer, the vessel will have to be scrapped and its licence returned to the MFA.

We will take evidence of fishing for any of the quota stocks listed from landings data from January 2007 to June 2008 (inclusive). Catches against leased quota will not be included because we are only counting quota taken from the pool.

We will weight bids from vessels meeting the above eligibility criteria to reflect our overall aim of removing those vessels catching the most quota. To calculate the weighting, each vessel's landings for each key quota stock will be multiplied by a factor equal to the total landings of the under 10 metre fleet for the key quota stock with highest landings. This will then be divided by the total landings of the under 10 metre fleet for the relevant key quota stock. This weighting should make sure that vessels that catch a key stock for which there is a relatively small opening quota have an equal chance of qualifying for decommissioning.

## Budget

We will run the scheme under the European Fisheries Fund. Our budget for the scheme is £5 million from EU and Defra funds.

Although we will judge bids against the above eligibility criteria, if it appears that a

disproportionate amount of the decommissioning budget is going to one or more MFA districts, we will consider taking action to achieve a fairer distribution of funding.

We propose two measures to ensure best value for money. First, we will pay decommissioning grants to those vessels that bid the lowest amount per tonne of quota landed by that vessel. This introduces an element of competition because those fishermen who bid lower amounts are more likely to be successful. Second, to avoid some excessively high bids increasing the total amount spent, we will not pay more than £1,000 per VCU. We believe that this figure represents a reasonable upper value for a vessel and licence, however, we welcome views on this.

## Quota leasing

We introduced arrangements for leasing quota earlier this year to allow fishermen with high catching vessels time to make a decision on their future. This is a temporary measure and we do not plan to operate it after 2009. We expect that those vessel owners, who need more quota than the pool can regularly provide, will adjust their fishing operations by then.

Mr Shaw's letter of February 2008 to fishermen announcing the leasing scheme proposed that in 2009, those leasing quota for a particular stock will be allowed to fish against the leased quota but will not be allowed to fish against the pool catch limits for that stock for the rest of the year. Few fishermen commented on this proposal and we now invite further views.



## The English inshore fleet – looking to the future

### Proposal 2: Preventing latent capacity from becoming active

Many under 10 metre licences are unused, or little used, so there is spare licence capacity that fishermen could use to licence new vessels or increase the capacity of existing vessels. This means that there is lots of scope for growth in the capacity of the under 10 metre fleet. This would destabilise any balance achieved between fishing effort and opportunity.

We therefore believe that we need to divide the under 10 metre fleet into vessels catching significant amounts of quota stocks and those catching small amounts of quota stocks. So we propose that from 1 January 2009, English under 10 metre vessels will have one of the following licences to fish for quota stocks:

- Full-quota licences, which the MFA will issue where recorded landings of all quota stocks exceeded 300kg in any consecutive 12 months between July 2006 and January 2008. Vessels will be allowed to land all quota stocks up to the catch limits.
- Limited-quota licences, which the MFA will issue where recorded landings of all quota stocks did not exceed 300kg in any consecutive 12 months between July 2006 and January 2008. Vessels will be allowed to continue to land up to a total of 300kg a year of any combination of quota stocks. It is likely that this will be controlled through catch limits of a period of more than one month. Landings should be within monthly catch limits where these are lower.



Defra Photo Library

Those who fish small amounts of quota now sometimes have their fishing opportunities cut short by higher catchers exhausting the available pool quota. Under this proposal, the MFA will aim to maintain sufficient quota to keep fisheries open for those holding limited-quota licences. Although we cannot guarantee this, we will aim to maintain fishing opportunity for these fishermen and therefore reduce their likely level of discards. This benefit may help to offset any perceived reduction in the value of limited-quota licences.

Some fishermen have landed small amounts of quota, or no quota, for good reason, for example, where they have been waiting for a new vessel to be built, possibly with licence cover. We will have an appeals process for such cases where a fisherman's landings record does not reflect his normal actual level of fishing.

If a fisherman applies to aggregate a limited-quota licence with one or more full-quota licences, we will classify the resulting licence as a limited-quota licence. We are doing this to prevent expansion of the capacity of the fleet.

Defra Photo Library



### Proposal 3: Maximising returns

There are a number of initiatives in place to help fishermen obtain business advice and maximise their returns from fishing. The main sources of help and advice are described below and we welcome your views about how effective these are.

#### *European Fisheries Fund*

The European Fisheries Fund (EFF) aims to help secure a sustainable and profitable fisheries industry. It offers grants from 2008 to 2013 to help the industry adapt to changing circumstances. The UK has about £97m in the Fund over the six years. Of that, England has about £27m, plus an extra £7m for Cornwall.

The types of project eligible for grant aid include:

- modernising fishing vessels, e.g. to reduce discards, improve gear selectivity and minimise environmental impact;
- improving product quality;
- marketing fisheries products; and
- improving processing and port facilities.

When the European Commission approves the UK's Operational Programme for the Fund we plan to launch the scheme in England in autumn 2008. We will announce the opening and closing dates for project applications as soon as possible. Before the MFA can run an assessment panel, it has invited expressions of interest including a short project outline, an estimate of funding requested, information on the source of matching funding and on the timing of the project. You can send expressions of interest to: [eff.expressions@mfa.gsi.gov.uk](mailto:eff.expressions@mfa.gsi.gov.uk)

#### *Seafish*

Seafish, the Sea Fish Industry Authority, is running several projects which will benefit fishermen in the under 10 metre fleet. Some of these are based on proposals received from fishermen through the Seafish Industry Project Fund; others are Seafish initiatives. These projects seek to increase the viability of the under 10 metre fleet by reducing running costs; opening opportunities for diversifying or improving quality; and ensuring that the fleet can cope with changing regulatory requirements.



## The English inshore fleet – looking to the future

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Examples of projects include funding for the Shellfish Association of Great Britain to implement the Shellfish Industry Strategy, which aims to develop a sustainable future for the UK shellfish industry. Other projects, such as bass long-lining, the use of T90 nets, and the production of biofuels from waste oil, are aiming to deliver a profitable future for the under 10 metre fleet.

You can get more information about Seafish's work at [www.seafish.org](http://www.seafish.org)

### *Business support*

The MFA is working with Defra and the Department for Business, Enterprise and Regulatory Reform (BERR) on how the Business Support Simplification Programme can benefit fisheries and how Business Link can help fishermen. Business Link offers an Information Diagnostic and Brokerage service rather than offering direct business support itself. It is owned regionally by the Regional Development Agencies but in future there will be more responsibility passing to local authorities.

The Business in the Community pilot project in North Shields aims to help the fishing industry and create stronger links between the industry and its local communities. Similar projects could be developed in other areas with other local partners.

### **Proposal 4: Environmentally responsible fishing project**

This 12 month pilot project aims to quantify all components of the environmental footprint of commercial fishing vessels targeting quota stocks in inshore waters (generally within 12 nautical miles) of the English North Sea coast.

The project will collect data across a range of indicators associated with fishing operations, marketing and ancillary services. This information will fill key gaps in the evidence base for these activities which in turn will be used to inform the implementation of 'Fisheries 2027 – a long-term vision for sustainable fisheries'. In particular, the data will help in defining an acceptable impact of producing and consuming fish; ensuring fishing activity contributes to local communities; optimising economic returns from fish stocks; and ensuring equitable access to fish stocks by commercial and recreational users.

We have invited about 30 fishing vessels from Hartlepool, Lowestoft and the Thames Estuary to take part in the project. Vessels will fish normally but will be fitted with automatic vessel monitoring systems to record information such as course, speed and position, every fifteen minutes. Skippers will be logging comprehensive data about the fishing trip including gear used, catches, discards, etc as well as information on their historical fishing activity. They will also provide data on fuel consumption and the markets for their catch.

The number of days at sea a vessel may operate under the pilot project has been capped. This is because vessels will work under a scientific derogation from certain fisheries management rules and we do not want this to result in any increase in fishing effort. There are also strict rules for participating vessels to follow to make sure the research data is accurate.

Fishermen have generally supported the aims of the pilot, though some understandably have been disappointed that there was not room for them to join the project. There were about 60 expressions of interest from eligible vessels but only 30 places. We selected vessels on the basis of their fishing track record for quota stocks and to ensure a range of different gear types. We hope that fishermen outside the pilot project will continue to support our aims because of the wider benefits that the project should bring for all fishermen.

### **Proposal 5: Working with Producer Organisations**

In developing a plan to tackle the current difficulties in the English under 10 metre fleet, Defra and the MFA have recognised the importance of working collaboratively with both sides of industry – the inshore fleet and Producer Organisations. We have stressed the importance of this at meetings with industry representatives. The MFA has started quota management meetings, around the coast and nationally, to take this forward. We have been working with Producer Organisations to look for opportunities to increase the fishing opportunities for the under 10 metre fleet.

The results so far are:

- donations of quota from Producer Organisations to the under 10 metre pool;
  - use of the system of economic links to gain valuable opportunities for under 10 metre vessels;
  - additional quota over and above the initial quota available through the domestic swap system; and
- a quota leasing scheme to allow individual under 10 metre vessels to adapt their fishing activity to the new catch limits while gaining additional quota for certain stocks from Producer Organisations.

We are continuing to work with Producer Organisations as the fishing year progresses.

Andy Perry, MFA



# The English inshore fleet – looking to the future

## Your views

Please send comments on this consultation paper by Friday 3 October to

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## Contents of consultation and additional copies

This consultation consists of this paper and a separately published draft Impact Assessment, which sets out the potential costs and benefits to Government and businesses if the proposals in this paper are implemented.

You can read the draft Impact Assessment and download extra copies of this consultation paper at [www.defra.gov.uk/corporate/consult/inshore-fleet/](http://www.defra.gov.uk/corporate/consult/inshore-fleet/)



## Length of consultation

This consultation is running for 8 weeks, rather than the standard 12 weeks. This meets Cabinet Office consultation guidelines, which state that a shorter period than normal may be possible in some circumstances, including

- where the consultation is taking place on the basis of amendments made in light of an earlier consultation; and
- where the nature of the problem means that urgency is in the public interest.

## Consultation guidelines

In line with Defra's policy of openness, at the end of the consultation period copies of responses we receive may be made publicly available through the Defra Information Resource Centre, Lower Ground Floor, Ergon House, 17 Smith Square, London SW1P 3JR. The information they contain may also be published in a summary of responses.

If you do not consent to this, you must clearly request that your response be treated confidentially. Any confidentiality disclaimer generated by your email system will not be treated as such a request. You should be aware that there are circumstances in which Defra will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000 and the Environmental Information Regulations.

The Information Resource Centre will supply copies of consultation responses to personal callers or in response to telephone or email requests (tel: 020 7238 6575, email: [defra.library@defra.gsi.gov.uk](mailto:defra.library@defra.gsi.gov.uk)). Wherever possible, personal callers should give the library at least 24 hours notice of their requirements. An administrative charge will be made to cover photocopying and postage costs.

This consultation has been prepared in line with the Government code of practice which is available from the Department for Business, Enterprise and Regulatory Reform at <http://bre.berr.gov.uk/regulation/consultation/>.

Comments or complaints about the consultation process (as opposed to comments about the issue which is the subject of consultation) should be addressed to: **Marjorie Addo**, Defra's Consultation Co-ordinator, Area 7C, Nobel House, 17 Smith Square, London, SW1P 3JR, Email: [consultation.coordinator@defra.gsi.gov.uk](mailto:consultation.coordinator@defra.gsi.gov.uk)