



Department
for Environment
Food & Rural Affairs

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Consultation on reducing latent capacity in the English 10 metre and under fishing sector

A summary of responses and the next steps

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Introduction

This is a summary of the responses to the public consultation on reducing latent capacity in the English 10 metre and under (u10m) fishing sector, which ran for 6 weeks from 10 February to 31 March 2015.

In 2014, following the licence capping exercise which took place in 2009, the Department for Environment, Food and Rural Affairs (Defra) and the Marine Management Organisation (MMO) looked again at the levels of activity in the u10m fishing fleet, to determine whether there was an ongoing issue with latent capacity, and if there was, how this should be addressed. The review covered latent capacity with regard to quota species and shellfish species covered in the shellfish entitlements.

According to the UK fishing vessel register, the English u10m fishing sector consists of 2,625 fishing vessels. Of those, 755 hold capped licences which allow them to catch only 300 kg of quota species each year. According to Registered Buyers and Sellers (RBS) records, there are currently 386 vessels licensed to catch more than 300 kg of quota species a year that have not fished for them at all between 2010 and 2013. A further 291 vessels have landed less than 300 kg in each of these reference years. This equates to 677 licences, which is about 35% of the vessels that held uncapped licences at 1 November 2014.

In addition, of the 1,856 u10m vessels that had shellfish entitlements at the time the consultation was launched, there were approximately 256 vessels that had not fished for shellfish species between 2010 and 2013. This information is based on RBS and Monthly Shellfish Activity Return (MSAR) data from 2014.

A restrictive licensing scheme for shellfish¹ was introduced in 2004, where shellfish entitlements were allocated by fisheries administrations. This was a one-off exercise on the basis of formal applications, supported by evidence of landings or sales. The measures were introduced to assist the conservation of shellfish and were targeted principally at vessels fishing for lobsters, crawfish and certain species of crab.

The fishing quotas for the English u10m fleet are currently managed by the MMO as a pool (u10m pool). MMO sets periodic catch limits for each quota species; that is the maximum that each vessel in the u10m pool could catch in the given period and this may vary throughout the year. In 2013 the English u10m fleet caught approximately 5,557 tonnes of quota at a value of £12.5 million. This accounted for around 4.5%, by volume, of the entire English fleet's catch. Nephrops are a quota species and are managed through the pool system rather than by using shellfish management measures.

¹ 'Shellfish' means lobsters (*Homarus gammarus*), crawfish (*Palinurus* spp.), edible crabs (*Cancer pagarus*), velvet crabs (*Liocarcinus puber*), spider crabs (*Maia squinado*) and green crabs (*Carcinus maenus*); and 'crabs' means the four species of crab so specified.

Defra's vision for the English fishing fleet is for an economically and environmentally sustainable industry, with fishermen able to plan for the future with more certainty, take greater responsibility for their businesses and make the most of marketing, funding, and other growth opportunities.

We want to maximise sustainable fishing opportunities while ensuring that quota is actively managed for the benefit of the fleet as a whole, and reduce the regulatory burden whilst ensuring a high degree of compliance with fisheries management measures. We believe that this will protect the viability of stocks, while safeguarding and enhancing the marine ecosystem.

The consultation asked recipients whether they believed latent capacity was an issue that needed to be addressed and highlighted two possible options for reducing latent capacity. Option 1 proposed capping licences for vessels that caught less than 300kg of quota species in each year between 2010 and 2013. In 2009 Defra capped the licences of vessels that had not caught quota species between 2006 and 2008 at a level of 300kg a year. The proposal would therefore extend this scheme meaning a further 677 vessel owners could potentially receive a capped licence. In addition Option 1 proposed removing shellfish entitlements from u10m vessel licences where they have not been used to catch any shellfish during the reference period.

Option 2 proposed placing temporary restrictions on all licences and entitlements that have not been used to catch quota species or shellfish during the reference period of 2010-2013. The same method as Option 1 would be used for identifying vessels. However this option would provide greater flexibility than Option 1 for balancing fishing opportunities to capacity, with the licence restrictions possibly being removed or relaxed if it was shown that stocks were recovering and more fishing opportunities were available. Any final decision to cap or otherwise amend licences would use the latest available data.

Opinions were sought from across the fishing industry, in particular from English registered u10m fishing vessel owners, and other stakeholders, on whether they believed that the issue of latent capacity in the u10m finfish and shellfish sectors needed to be tackled, and how they felt Defra should do this. Defra has also previously discussed the issue of latent capacity with the National Federation of Fishermen's Organisations (NFFO) and the New Under Ten Fishermen's Association during discussions on other fisheries matters. To assist with responses and discussion, 8 questions were posed.

The consultation was conducted by the Department for Environment, Food and Rural Affairs.

Overview of responses

90 responses to the consultation were received, with the majority coming from individual fishermen, vessel owners and stakeholder organisations representing the fishing sector (both finfish and shellfish). One respondent attached a petition opposing any capping of

licences that had been signed by 283 people. However it should be noted that in most instances respondents did not indicate whether they were u10m fishermen; or whether they fished for quota or non-quota species (including shellfish). Nor is it possible to tell the numbers of u10m fishermen who were being represented by the various stakeholder organisations that responded.

Responses were also received from Non-Departmental Public Bodies and Non-Government Organisations, and one response was received from the Isle of Man. Each question received between 30 and 82 responses.

Table 1 illustrates the breakdown of consultation responses by sector. See Annex A for a list of the organisations that responded.

Table 1: Breakdown of consultation responses by sector

Sector	Number of responses
Business - Catching sector (fishermen)	70
Business – Producer Organisations	2
Business – Stakeholder / Fishing sector organisations	14
Delivery Body	1
Environmental NGO	2
Other	1
Total	90

Summary of responses to consultation questions

Q1. Do you agree that the issue of latent capacity in the u10m finfish fleet needs to be addressed?

Table 2: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	33
Business – Producer Organisations	1
Business – Stakeholder / Fishing sector organisations	13
Delivery Body	1
Environmental NGO	1
Other	1
Total	50

We received 50 responses directly to this question with a mixture of views as to whether latent capacity should, or should not, be addressed in the u10m finfish fleet (3 respondents felt that the issue needed addressing, but not in the manner proposed in the consultation).

The main themes from those who were against addressing latent capacity and a further round of licence capping focused on the need for the u10m fleet to remain flexible and be able to diversify, thereby protecting livelihoods and small coastal communities. The lack of available quota for the u10m sector in general was also a consistent theme. A number of respondents suggested that, rather than address latent capacity, the Government needed to look at the way in which all quota is allocated, and to also take into consideration the reformed common fisheries policy and the impact of the new landing obligations. It was also highlighted that those vessels which had not utilised their full quota allocations over the 4 year reference period had in fact allowed the remaining uncapped vessels to benefit from more available quota and fishing opportunities.

11 respondents, including some individual fishermen and stakeholder organisations, did support the removal of latent capacity as a means to improving the long-term security of fishing options and opportunities, with the u10m sector playing a resource stewardship and conservation role. Others supported addressing latent capacity in all sectors where there is an unsustainable imbalance between capacity and fishing effort / opportunities, and as a way of removing initiatives with the industry that may have negative impacts in advance of the demersal landing obligation. Other respondents agreed that latent capacity was an issue that needed addressing in the u10m sector, but not as proposed in the consultation as it could lead to increased pressures on choke species as a result of the landing obligation.

Q2. Do you agree that the issue of latent capacity in the u10m shellfish fleet needs to be addressed?

Table 3: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	30
Business – Producer Organisations	1
Business – Stakeholder / Fishing sector organisations	11
Delivery Body	1
Environmental NGO	1
Other	1
Total	45

45 responses were received to this question, with a significant majority of the opinion that latent capacity in the shellfish fleet did not need to be addressed. It was not clear from the responses though whether that was because they did not feel latent capacity was a problem. The majority of reasons given to explain their opposition were related to the measures proposed to address latent capacity, with the common theme being that more effective core fishery management measures, such as shellfish quotas, closed seasons / no take zones or pot limitations / gear limits, should be introduced. Other respondents against the proposed measures in the consultation document highlighted that fishermen had invested in multi-purpose licences to allow them the flexibility to change target species, and that this ability to diversify should not be impeded, both on economic and conservation grounds. In addition to these views, it was felt that if Government proceeded with removing entitlements, then a form of compensation, perhaps an optional licence buy-back scheme, should be offered to compensate for the loss of vessel licence and considerable loss of future earnings.

There were a few responses, mainly from stakeholder organisations, in favour of addressing latent capacity, particularly as a means to support conservation efforts, improve long-term security of fishing options, and achieving Good Environmental Status through the attainment of maximum sustainable yield for key commercial stocks. It was also felt that removing latent capacity would allow the Government to develop schemes that encourage new entrants into the fishing industry when fishing opportunities became available. There were also views that latent capacity needed to be addressed in all sectors not just the u10s.

Q3. Do you agree that imposing an annual cap of 300kg for quota species on licences for vessels that have caught less than 300kg in quota species in each year between 2010 and 2013 is the best way to tackle the issue of latent capacity in the u10m pool?

Table 4: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	64
Business – Producer Organisations	2
Business – Stakeholder / Fishing sector organisations	12
Delivery Body	1
Environmental NGO	2
Other	1
Total	82

82 responses were received to this question, again with the majority (from individual fishermen and some stakeholder organisations) against a cap being introduced stating that latent capacity is actually a positive and necessary part of the u10m fleet, allowing for diversification and fishermen to respond to seasonal trends in finfish trade. Some respondents believed that latent capacity was not an issue at all, and questioned how licence capping could be based on a supposition that inactive vessel owners might start fishing quota stocks. One respondent attached a petition that had been signed by 283 people asking Defra not to cap u10m licences. A couple of respondents made the point that if capping did go ahead then it would be penalising fishermen for not targeting quota stocks, and acting as a conservation measure by not exploiting stocks to their limit.

Concern was also raised over there being an uncompensated loss for something [a fishing licence] that clearly has a commercial value and as such would be de-valued if capped (whilst at the same time increasing the value of those licences not capped). Other responses raised concerns around safety, the potential increase in black fish, the lack of opportunities for new entrants, reduced flexibility and ability to diversify, increased discard rates, not helping stock preservation, and impact on local fishing communities.

9 respondents did agree that latent capacity in the u10m fleet should be addressed, and 4 specifically agreeing that Option 1, as presented, was the best approach. Although they did state that it could be subject to a legal challenge on the grounds that it devalued a

company's assets. 2 respondents agreed that licences should be capped, but only where the licences were completely inactive.

Q4. If you do not agree that a capping policy would be the best way of tackling latent capacity in the u10m pool, what other measures do you believe could be taken?

Table 5: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	54
Business – Producer Organisations	1
Business – Stakeholder / Fishing sector organisations	11
Delivery Body	-
Environmental NGO	2
Other	-
Total	68

A significant number of responses, 68, were received to this question, and a number of temporal and spatial solutions presented from across a broad spectrum of respondents. These included a voluntary buy-back scheme, offering fishermen payment for permanently relinquishing their unused or under-utilised licence options or entitlements; a decommissioning scheme; Government to purchase licences and re-issue these to new entrants; redistribution of quota between Producer Organisations and the u10m pool; roll-over unused quota so it can be used to its full extent by working boats; link enforcement to quota allocation (quota reallocated if fishermen are prosecuted multiple times); gear limitations; provide allowances or incentives for those using more selective gear / low impact fishing methods, or if under 7 metres; and temporary capping of licences i.e. encouraging fishermen to volunteer to 'park' certain unused fishing opportunities on their licence in exchange for increased access to the species they wish to target.

Q5. Do you agree that removing or putting a temporary restriction on shellfish entitlements from u10m licences which have not been used to catch shellfish between 2010 and 2013 is the most effective way of tackling latent capacity in the shellfish catching sector of the u10m fleet?

Table 6: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	28
Business – Producer Organisations	1
Business – Stakeholder / Fishing sector organisations	10
Delivery Body	1
Environmental NGO	1
Other	1
Total	42

The majority of respondents to the question, 37, did not agree that removing or placing a temporary restriction on shellfish entitlements was the most effective way of tackling latent capacity. A number of reasons were given in the responses, including a lack of management controls, policies or strategies that would benefit the sustainability of stocks, the importance of flexibility and ability of u10m fishermen to diversify, and further restrictions possibly leading to excessive fishing effort in other fisheries merely to establish or defend a track record.

5 respondents supported the question (from across all the sectors), with one strongly supporting Option 1 and another indicating a preference for removing entitlements from vessels that have not actively fished for both shellfish and quota species. Another respondent who supported addressing latent capacity suggested that Government needs to have a deeper conversation with the industry over how to remove non-active licences or entitlements, including the possibility of compensation for inactive holders. A respondent also believed latent capacity should be addressed, suggesting that any vessel with a shellfish entitlement but no record of either fin fish or shellfish catches should have the shellfish entitlement removed.

Q6. If you do not agree that removing or restricting shellfish entitlements from inactive licences would be the best way of tackling latent capacity in the U10m shellfish catching sector what other measures do you believe could be taken?

Table 7: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	29
Business – Producer Organisations	-
Business – Stakeholder / Fishing sector organisations	10
Delivery Body	-
Environmental NGO	1
Other	-
Total	40

40 respondents, nearly all from those involved directly with fishing and the fishing sector, did not agree with removing or restricting shellfish entitlements from inactive licences, and 37 provided a number of specific thoughts on possible measures and options that could be pursued further. The main focus of the comments was the active fleet and the importance of first controlling/restricting the active fleet and the pressure it puts on stocks rather than reducing latent capacity. These were as follows: the introduction of a national management plan, with the emphasis on quota and pot limitation measures; Government taking control of shellfish stock and putting emphasis on conservation measures i.e. limiting number of licences, pot / gear limits, length of fishing season, number of fishing days, quota and catch limits; not targeting u10m sector at all but over 10m vessels; decommissioning and Government licence buy-back scheme to then be used for new entrants; undertaking more studies and stock analysis, with greater industry involvement.

Q7. Do you think that tackling latent capacity in the u10m shellfish sector would have any impact on improving stock status for these species?

Table 8: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	30
Business – Producer Organisations	1
Business – Stakeholder / Fishing sector organisations	10
Delivery Body	1
Environmental NGO	1
Other	1
Total	44

There were 44 responses directly to this question with the majority believing that tackling latent capacity would not have any impact on improving shellfish stock status as the stock remained uncaught. However a common theme from a significant number of respondents, mainly fishermen and stakeholder organisations, recognised that some positive action would be beneficial to control the pressure on stocks from the active fleet. Some courses of action were proposed, including the need for increased and improved studies and stock assessments, as well as alternative management measures, i.e. pot / gear limits.

9 respondents believed that tackling shellfish latent capacity in the u10m sector, either directly or through some other measures, would have an impact on improving shellfish stocks. Some of the examples given related to improved assessments by Inshore Fisheries Conservation Authorities (IFCAs) and other Government bodies; and creating positive incentives for investment, where fishermen could operate in a more business-like manner with greater stewardship over the resource, thereby leading to more responsible and sustainable fishing practices.

Q8. Do you think that there are any issues that we have not identified in this consultation document?

Table 9: Breakdown of responses to question by sector

Sector	Number of responses
Business - Catching sector (fishermen)	34

Business – Producer Organisations	1
Business – Stakeholder / Fishing sector organisations	12
Delivery Body	1
Environmental NGO	1
Other	1
Total	50

Quite a high number of responses, 50, again predominantly from individuals and stakeholder organisations, were received to this question, with the following issues suggested and/or recommended for further consideration: management and policy planning based on quota and pot limitation system for shellfish; lack of quota for u10m sector and over-regulation by Government bodies; a risk assessment of the options proposed should have been undertaken providing consultation recipients with a greater understanding of the issues and the options and measures being proposed; a decommissioning scheme; future generations ability to enter the industry and fishing opportunities available to them; effect of Marine Protected Areas on fisheries; addressing latent capacity in both under and over 10m sectors.

Next steps

The Government would like to thank those that responded to the consultation, and acknowledges the views and issues raised. The responses that were received have been very beneficial in looking at the options and other factors in determining the potential measures that could be taken to address latent capacity in the English 10 metre and under fishing sector.

We understand and appreciate that fishing opportunities for the u10m sector is an important issue. The Government believes that latent capacity remains an issue that will need to be addressed whilst at the same time taking a balanced approach by providing further assistance and greater opportunities to the u10s where possible.

All of the responses to the consultation will be taken into account whilst the Government develops its formal response which we intend to publish by the end of autumn 2015. This will outline how we intend to proceed, and respond directly to some of the issues raised. We will also consider a number of the alternative options and measures suggested and look to incorporate these wherever possible in shaping and forming our future plans.

For the finfish catching sector we fully appreciate the challenges of the new demersal landing obligation, and the effect this will have is still unknown. As a result we will also take this into account as we consider the right balance of measures for the future of the English fleet.

Annex A: List of organisations that responded

Amble Seine-Net & Keelboat Association

Anglo-Scottish Fishermen's Association

Bridport Commercial Boat Owners & Fishermen's Association

Cornish Fish Producers Organisation

Environmental Defence Fund

Greenpeace UK

Hastings Fishermen's Protection Society

Isle of Man Government Department of Environment, Food and Agriculture

Mudford & District Fishermen's Association

National Federation of Fishermen's Organisation

Natural England

New Under Ten Fishermen's Association

Sea Breeze Trawlers Ltd

Shellfish Association of Great Britain

South Coast Fishermen's Council

South Devon & Channel Shell Fishermen

South West Handline Fishermen's Association

South Western Fish Producers Organisation

St Ives Fishermen's Association

Thanet Fishermen's Association

West Bay Fishermen's Association