

<b>Title:</b> English Queen Scallop Fisheries Management Plan		<b>De Minimis Assessment (DMA)</b>	
<b>Date:</b> October 2024		<b>Stage:</b> Consultation	
<b>BRU No:</b> N/A		<b>Source of intervention:</b> Domestic	
<b>Lead department or agency:</b> Defra		<b>Type of measure:</b> Other	
<b>Summary: Rationale and Options</b>		<b>Contact for enquiries:</b> helen.hunter@defra.gov.uk	
<b>Total Net Present Value</b> £0.00m	<b>Business Net Present Value</b> £0.00m	<b>Net cost to business per year</b> <small>(EANDCB in 2019 prices)</small> £0.00m	

**Rationale for intervention and intended outcomes.**

Fish stocks are a common pool resource; they are non-excludable, yet rivalrous. Rivalrous here means anyone can catch a fish but once a fish is caught and retained it cannot be caught again. They are non-excludable because it is not possible for one actor to exclude another from catching fish. These characteristics mean government intervention is needed to avoid fisheries becoming over-exploited.

The Fisheries Act 2020 sets out the legal framework to achieve “a more competitive, profitable and sustainable fishing industry across the whole of the UK” and places an expectation on the UK’s Fisheries Policy Authorities to publish Fisheries Management Plans (FMPs). The Joint Fisheries Statement (JFS)<sup>2</sup>, published in November 2022 sets out how the ambition of the Fisheries Act 2020 will be achieved in practice and lists 43 proposed FMPs.

The purpose of the FMP is to harvest stocks within a maximum sustainable yield (MSY) and also protect the wider marine environment. The MSY is the theoretical largest yield that can be caught from a species stock over an infinite period so the stock can regenerate. Government intervention is also required to protect the marine environment as a healthy marine environment has positive externalities. Market agents have minimal incentive to protect the marine environment as these actions will not be beneficial in the short run and there may be free riding.

The scope of the FMP is English waters only, although the main UK scallop fishery is located in the Irish Sea and fished across all UK waters. Queen scallop stocks in English waters are vulnerable to overexploitation due to insufficient management currently in place and a lack of data around stock status. The FMP brings together information on existing management measures for queen scallops within and outside of English waters and sets out proposals to increase protection for stocks in the short term and to build the evidence base to inform future management decisions. The FMP will also consider the wider impacts of the fishery on the marine environment and set out long-term plans to improve data to inform future actions.

**Describe the policy options considered.**

**Option 0:** Do Nothing - no FMP or related management measures developed.

- Lack of strengthened/ new, evidence-based management would increase the likelihood of stocks being further overexploited, and insufficient protection for the wider marine environment. Not legally compliant.

**Option 1:** Self- Regulation – no formal Government FMP but industry introduces voluntary management measures.

- The introduction of non-regulatory measures, such as voluntary measures developed and introduced by industry, would unlikely go far enough to ensure stocks are being fished sustainably and the wider marine environment is protected. This is because financial incentives would not align as illustrated in the rationale.
- Voluntary measures are unenforceable so there’s no guarantee they will increase

**Option 2 (preferred option): Queen Scallop FMP**

- The FMP sets out the policies designed to maintain stocks at sustainable levels by bringing together information on existing measures and available evidence, mapping where there are gaps and opportunities to fill them, setting a clear pathway to developing and introducing improved, evidence-based management in collaboration with industry/ stakeholders

**Rationale for DMA rating**

A DMA has been produced because the FMP itself will have no direct monetised impacts and as such fall below the £5m threshold necessary for an IA. When individual actions are specifically implemented, the statutory or non-statutory mechanism through which these will be implemented

Will the policy be reviewed? Yes		If applicable, set review date:		
Are these organisations in scope?	<b>Micro</b> Yes	<b>Small</b> Yes	<b>Medium</b> No	<b>Large</b> No

Senior Policy Sign-off:  Date: 27/03/2024

Better Regulation Unit Sign-off:  Date: 02/052024

## 1.0 Policy Rationale

### Policy background

- The Fisheries Act 2020<sup>1</sup> provides the framework to manage our fisheries as an independent coastal state outside of the EU Common Fisheries Policy. The Act requires the UK fisheries policy authorities (Defra, and the devolved administrations in Northern Ireland, Scotland and Wales) to prepare and publish fisheries management plans to help deliver our ambition for sustainable fisheries. The Joint Fisheries Statement (JFS)<sup>2</sup>, published in November 2022 sets out how the ambition of the Fisheries Act 2020 will be achieved in practice and lists 43 proposed FMPs to be published, one of which is the queen scallop FMP in English waters. The fisheries policy authorities have a statutory obligation to prepare and publish any FMP on that list in accordance with the timescales set out in the JFS.
- FMPs set out the policies designed to restore one or more stocks of sea fish to, or maintain them at, sustainable levels. Each plan will specify the stock(s), type of fishing and the geographic area covered. Each FMP will also identify the measures that will be used to deliver its policies. Such measures may include both existing or new regulations, statutory instruments, technical measures, or non-statutory routes such as research plans, voluntary agreements, or codes of conduct. The precise mechanisms used will depend on the policies set out in the plan and, where appropriate, will be enforced by the relevant national fisheries authority.
- This DMA has been produced to support the consultation on the Queen Scallop Fisheries Management Plan. The purpose of the consultation is to seek views from those with an interest on the proposed objectives, actions, and management measures set out in the plan. The consultation also seeks feedback on the evidence presented in the plan and provides an opportunity for respondents to provide additional evidence that may support the FMP objectives.

<sup>1</sup> Fisheries Act 2020 ([legislation.gov.uk](https://www.legislation.gov.uk))

<sup>2</sup> Joint Fisheries Statement (JFS) - GOV.UK ([www.gov.uk](https://www.gov.uk))

## Problem under consideration

4. Non-quota species (NQS) fisheries, including queen scallops, are of significant interest to UK vessels, given the high monetary value of NQS, and their importance to local communities. Non quota refers to any species that are not managed under total allowable catch, in which an upper limit on the amount of the fish to be caught is set. In 2022 landings of NQS made up 17.4% (110,000 tonnes) of the total quantity of landings (640,000 tonnes) by the UK fleet and 28.8% (£300m) of the total value (£1,000m) into the UK and abroad.<sup>3</sup> Scallops are one of our most valuable fisheries but, are data poor, compared to quota species, in terms of stock status, estimates of MSY and affecting factors, which leaves them vulnerable to unsustainable levels of fishing activity.
5. There are several existing management measures in place which are likely to have contributed positively to providing some level of protection to queen scallop stocks in some areas around the UK. The current measures included a MCRS of 40mm for UK waters, and inshore (inside the 6NM) management measure which vary between IFCA. However, this is not widespread across all stock areas, particularly in English waters, where there is a lack of management and scientific stock assessments which provide estimates of stock status in relation to MSY.

## Rationale for intervention

6. Queen scallops in English waters were prioritised for development of a Fisheries Management Plan because they met the following criteria:
  - a. Current risk of over-exploitation without additional management action due to a lack of data of stock status and lack of management measures to control fishing effort levels (which encompasses all sized vessels fishing for queen scallops and all types of scallop removals e.g. by different gear types or hand diving).
  - b. Wider social and economic importance of the stock and its associated fisheries, considering factors such as employment levels, local income, contribution to coastal communities, and legal or governance and institutional structures.
  - c. Ecosystem significance of the stock, including factors such as its fisheries' impact on the ecosystem and interactions with non-target species including protected species.
7. The long-term goal of the queen scallop FMP is to ensure that exploitation of queen scallop stocks in English waters, are at a level which restores and maintains populations above biomass levels capable of producing maximum sustainable yield. The proposed management approaches/ measures are aimed at delivering this, both in terms of strengthening existing measures in the short-term e.g. increasing the Minimum Conservation Reference Size (MCRS), consideration of technical specifications measures for fishing equipment, and developing science-based fishing activity limits (alongside the king scallop FMP actions for considering output and/ or input controls to manage fishing activity). To achieve a sustainable fishery the FMP sets out plans to review existing queen scallop data collection approaches to help identify and prioritise key evidence gaps, to enable evidence-based management to be applied which will deliver sustainable fisheries. For some measures the evidence available will be incomplete, where a precautionary approach to management may be needed until sufficient evidence becomes available.
8. The FMP will also consider evidence of the impacts of the fishery on the wider marine environment and will set out a long-term plan to improve data that will inform mitigation and management actions. The ecosystem management measures, such as development of a

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<sup>3</sup> [UK sea fisheries annual statistics report 2022](#)

bycatch monitoring and reporting plan, will ensure the fishery operates harmoniously within the wider marine environment.

9. A thriving marine environment has positive externalities to society which would not be captured by the market mechanism. Industry alone would not be able to provide adequate protection of the marine environment as this requires coordination and enforcement across multiple sectors that is not possible within markets.
10. Queen scallop, like many other fish stocks, are a common pool resource. Common pool resources are non-excludable, yet rivalrous. Rivalrous here means anyone can catch a fish but once a fish is caught and retained it cannot be caught again. They are non-excludable because it is not possible for one actor to exclude another from catching fish. These characteristics would lead to the classic economic problem of 'the tragedy of the commons' were the government not to intervene. Market agents would only consider the benefits of catching queen scallop, not weighing such harvesting against the impact on the stock health, leading to overexploitation of the stock. Government intervention would prevent this overexploitation of fish stocks and set out plans to protect the wider marine environment that will benefit social, economic, and environmental wellbeing of the whole population.

### **Policy objective**

11. The objective of this policy, in accordance with the Fisheries Act 2020, the Joint Fisheries Statement and the Environmental Improvement Plan, is to contribute to the health and abundance of key commercial species and promote healthy seas and economic stability.
12. The queen scallop FMP sets out the policy framework for managing stocks and improving the scientific evidence in English waters to achieve maximum sustainable yield (MSY). It draws together a complete portfolio of existing management measures for queen scallops as well as proposals for short-term and longer-term future management approaches and measures. A summary of key evidence gaps has also been developed, which identifies the additional evidence required to enable evidence-based management for the protection of stocks now and in the long term. These include determining size and age distributions, genetic differences, larval dispersal, adult migration, the locations of nursery habitats in exploited and unexploited areas, annual amounts of commercial discards of queen scallops, discard survival rates, mortality levels mobile fishing gear.
13. The overarching aim of the FMP is to identify where there may be opportunities to provide increased protection to queen scallop stocks in English waters in the short-term and to improve the management and long-term sustainability of queen scallop fisheries by providing recommendations for potential UK wide management approaches for shared stocks. These proposals will deliver the plan's core objectives to ensure queen scallop stocks are fished sustainably, by applying effective, evidence-based management measures, to have a thriving and profitable industry that uses natural resources sustainably and to protect the marine environment. This FMP will also consider evidence of the impacts of the fishery on the wider marine environment and will set out long-term plans to improve data that will inform mitigation and management actions. These ecosystem management measures will ensure the fishery operates harmoniously within the wider marine environment.
14. The English queen scallop FMP's high-level aim, to contribute to sustainable and well managed queen scallop fisheries, will be achieved through the following priority objectives:

**Objective 1:** Develop proposals for a comprehensive data collection programme for English and UK wide queen scallop fisheries, which supports a data-rich future and

results in the establishment of a reliable time series that facilitates well-informed, sustainable management.

**Objective 2:** Seek opportunities for strengthening existing measures in English waters to increase stock protection in the short-term.

**Objective 3:** Assess the interactions with the marine environment and potential impacts associated with queen scallop fisheries and develop an action plan setting out appropriate measures to reduce damaging impacts.

**Objective 4:** Explore the impacts of changes in marine spatial use on queen scallop fisheries from an environmental, economic, and social perspective.

**Objective 5:** Develop climate change mitigation and adaptation measures for shared UK queen scallop fisheries.

### **Options considered.**

**Option 0:** Do Nothing - no FMP or related management measures developed.

- The Government would fail to meet commitments under the Fisheries Act 2020 and Joint Fisheries Statement (JFS) to publish FMPs, increasing risk of legal challenge.
- Lack of strengthened/ new, evidence-based management would increase the likelihood of stocks being overexploited with insufficient protection for the wider marine environment.

**Option 1:** Self- Regulation – no formal Government FMP but industry introduces voluntary management measures.

- No legally recognised FMP which would result in above commitments not being met and associated legal risks.
- The introduction of non-regulatory measures, such as voluntary measures developed and introduced by industry, would unlikely go far enough to ensure stocks are being fished sustainably and the wider marine environment is protected. This is because it relies too heavily on the industry's desire to commit to and put resources to applying and observing voluntary measures. As voluntary measures are unenforceable, there is no guarantee they will be consistently adhered to and provide a high enough level of protection to stocks.

**Option 2 (preferred option):** Queen scallop FMP

- Meets the above commitments under the Fisheries Act and JFS sets out the legal framework to achieve “a more competitive, profitable and sustainable fishing industry across the whole of the UK” and complies with the statutory obligation in the Fisheries Act to prepare and publish the Queen Scallop FMP (the FMP having been included in the JFS which was published in November 2022).
- Sets out the policies designed to restore stocks to, or maintain them at, sustainable levels, by bringing together information on existing measures and available evidence, mapping where there are gaps and opportunities to fill them, setting a clear pathway to developing and introducing improved, evidence-based management (both regulatory and non-regulatory) in collaboration with industry/ stakeholders.

## 2.0 Rationale for De Minimis Rating

15. The purpose of this de-minimis assessment is to:
  - a. Assess the impact of the Queen Scallop FMP as a new policy according to the better regulation framework.
  - b. Demonstrate that, at this stage, there are no monetary impacts to business.
  - c. Allow Defra to formally consult on and publish the Queen scallop FMP.
  - d. Begin to assess proposed approaches and measures as set out in the draft Queen Scallop FMP (specific measures will be assessed separately as and when they are developed and implemented)
16. Whilst the Queen Scallop FMP includes a variety of proposed goals and actions that will be used to deliver its policies, these actions will not be implemented immediately when the plan is published. Instead, specific plans must be developed through the appropriate processes before being implemented; such development may require further evidence and/or stakeholder, legal and policy input. The appropriate process will depend on whether the actions being introduced are statutory or non-statutory.
17. The Queen Scallop FMP does not result in direct measurable impacts at this stage because the FMP does not result in new regulation upon publication. Therefore, this document is a narrative assessment and does not include monetised costs to business. It is also a de-minimis assessment rather than a full impact assessment because the impact is less than £5m.
18. As specific actions are implemented, further impact assessments or de-minimis assessments will be completed that include the monetised costs to business of that measure.

## 3.0 Costs and Benefits

19. Whilst the FMP identifies measures that could be introduced post-consultation, these proposed measures will be developed further and do not currently have sufficient detail for any economic analysis to be done. As detailed costs and benefits cannot be provided in this DMA, background figures to understand the potential scale of impact and scope have been provided. When individual measures are specifically implemented, the statutory or non-statutory mechanism through which these will be implemented will have their own impacts assessed in the appropriate manner.
20. This FMP covers Queen Scallops in English waters. UK vessels in England waters in 2022 landed 860 tonnes of queen scallops, this is lower than 3,300 tonnes landed in 2015<sup>4</sup>. The value and volume of queen scallops peaked in 2013 due to high stock abundance and high market value, this increased market uptake. The price had reduced by 2014 with lowest point for volume and landings in 2020 during covid.
21. The majority of the landings come from geographic location Food and Agriculture organisations division 27.7.a with 99% of the catch between 2020 and 2022 being caught from 7a in 2022 the catch from 7a was £528,000<sup>5</sup> of the total queen scallops catch of £535,000. The majority of the landings came from vessels over 10m in length with the

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<sup>4</sup> [UK sea fisheries annual statistics report 2022](#)

<sup>5</sup> [UK sea fisheries annual statistics report 2022](#)

greater than 10m fleet contributing between 95.3% to 99.7%<sup>6</sup>. The breakdown of landings can be seen in the annex.

### Small and Micro Business Assessment

22. No specific assessment has been conducted for the FMP regarding small and micro businesses, as the primary focus of the legislation is on the fishing industry. This industry is predominantly composed of small and micro businesses. Small and micro business defined by the better regulation framework are 10-49 employees and 0-9 employees respectively<sup>7</sup>. Out of 4,070 fishing businesses, only 10 would not be classified as small or micro businesses. 115 would be considered small businesses, and the vast majority, 3,945, would be classified as micro businesses<sup>8</sup>. Therefore, when evaluating the impacts of the legislation, our primary focus is on these small and micro businesses. Consequently, we do not anticipate a disproportionate effect on small or micro businesses.

### **Risks and unintended consequences**

23. Unintended consequences may emerge from the level of ambition set out in the FMP, as all the actions may prove to be challenging to resource and implement. Mitigation is being considered to manage this that involves realistic timeframes being considered, prioritising efforts across the whole of the programme, as well as a consultation with industry and stake holders.

### **Wider impacts**

24. There is considered to be minimal impact on the wider society, the benefits and impacts are likely to be specific to those involved with the fishery. However indirect benefits are assumed from the measures which support wider environmental sustainability such as for coastal communities and species, an example of a policy would be increasing MCRS.

### *Trade Impact*

25. Direct implementation of measures which may impact the EU will be considered and assessed separately to the FMP itself.

## **4.0 Post implementation review**

26. When producing policy and determining the need for regulatory impact assessments, the Better Regulation Framework guidance and the better regulation principles of robust evidence, transparency and proportionality are taken into consideration. Where policies require legislation, a regulatory impact assessment is undertaken and submitted to the Regulatory Policy Committee (RPC) for independent scrutiny. Such scrutiny will be in advance of introducing any secondary legislation for all measures that are above the £5 million per annum threshold for net costs to business. Analysis to support these changes is produced in line with HMT Green Book methodology and includes consideration of the impact on small and micro businesses. This analysis is not required for measures below the

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<sup>6</sup> [UK sea fisheries annual statistics report 2022](#)

<sup>7</sup> [Better Regulation Framework](#)

<sup>8</sup> [UK business: activity, size and location](#)

£5 million equivalent annual net direct costs to business (EANDCB) threshold. For measures below this threshold Defra will, if appropriate, produce de-minimis assessments.

27. When new measures are introduced and result in new or changed regulation, Defra will complete a monetised impact, or de-minimis assessment for the specific measures, depending on the monetised cost to business.

**FMP review**

28. The Fisheries Act requires the effectiveness of the FMP is regularly assessed. The FMP must be reviewed at least every six years or sooner if relevant evidence, international obligations, or wider events require a change in the policies set out in the FMP.

29. The results from the individual FMP assessments will contribute to the formal report on the Joint Fisheries Statement (JFS) that will be published every three years. The JFS reports will be laid before the UK’s legislatures. The report will set out the extent to which the policies contained in FMPs have been implemented and have affected stock levels in the UK.

1. **Review status:** Please classify with an ‘x’ and provide any explanations below.

<input type="checkbox"/>	Sunset clause	<input checked="" type="checkbox"/>	Other review clause	<input type="checkbox"/>	Political commitment	<input type="checkbox"/>	Other reason	<input type="checkbox"/>	No plan to review
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The Fisheries Act 2020 requires the FMP to be reviewed at least every 6 years to assess the extent to which the policies in the plan have been implemented and how the stock has been affected.

2. **Expected review date** (month and year, xx/xx):

<input type="text"/>	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	Five years from when the Regulations come into force
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Before the end of the period of 6 years beginning with the day on which the FMP is published



### **3. Rationale for PIR approach:**

#### **Formal review:**

- The Fisheries Act 2020 requires the Queen Scallop FMP to be reviewed at least every 6 years to assess the extent to which the policies in the plan have been implemented and how the stock has been affected.
- Depending upon the outcome of the review, the FMP could be revoked, amended, replaced or remain the same.
- This formal review is independent of the post implementation review process.

#### **Independent evaluation:**

- A 3-year independent process, impact and value for money evaluation of the FMP programme and individual FMPs is underway currently due to run to March 2025. The evaluation will:
  - Generate key learning to support adaptive management and provide an independent and objective assessment of the FMP programme objectives.
  - Capture lessons learnt by the FMP to inform the design and implementation of future FMPs.
  - Contribute to monitoring and evaluation plans to generate the evidence needed to assess performance to support the 6-yearly reviews of FMPs.

### **4. Implementing measures:**

- The FMP sets out the policies and measures needed to achieve its stated objectives. It does not implement those measures upon publication. When proposed new measures are implemented, they may require separate impact assessments, monitoring regimes and post implementation reviews.
- Progress against the actions in the plan will be routinely monitored and reported through Defra's normal corporate reporting functions.
- The FMPs are listed in the Environmental Improvement Plan 2023 as key measures to achieve the headline targets. FMPs will be part of the EIP23 reporting process.

### **5. FMP post implementation review:**

- A post implementation review for the Queen Scallop FMP will coincide with the formal review to assess the wider impacts of the FMP and its associated measures. This review will include wider impacts to business and unintended consequences.
- This review will also collate the impacts of individual measures where they have been implemented and provide a holistic assessment of the impact of the FMP.

### **6. Monitoring:**

- The FMP must set out the indicators and specify the monitoring required to assess its effectiveness.
- Stock status will be monitored using available stock assessment data.
- Compliance with harvesting rates will use the data on fish landings collected by the MMO.
- Information will be drawn from on-going data collection by the MMO and Seafish to assess progress against social and economic objectives in the FMP.

- The ongoing monitoring of the wider environment through the UK Marine Strategy and MPA programmes will provide information to assess the impact of the FMP's policies to mitigate the impact of the fishery on the wider environment.

#### 7. **Stakeholder Views**

- Stakeholder views will be sought by Defra through existing stakeholder channels throughout the development of the FMP. Such collaboration will be ongoing with a commitment to increased engagement as the FMP is published and implemented.
- Stakeholder views will also be sought through the independent FMP Evaluation Programme
- Stakeholder views will be sought through any public consultation on specific management measures in the FMP and through and through public consultation during the formal review process if the FMP is amended, revoked or replaced.

## 5.0 Annex

Table 2 - Landings in tonnage and value by gear types

Year	Weight (tonnes)		Value (£)	
	Demersal trawls	Dredge	Demersal trawls	Dredge
2012	250	3,100	100,000	1,200,000
2013	270	2,200	130,000	930,000
2014	110	2,000	66,000	850,000
2015	95	3,200	65,000	1,700,000
2016	69	3,000	67,000	2,100,000
2017	58	2,000	69,000	1,500,000
2018	42	510	60,000	600,000
2019	32	490	40,000	570,000
2020	39	190	26,000	170,000
2021	69	850	47,000	550,000
2022	2	640	140,000	390,000

- Gear types: The equipment used to capture marine species.
- Dredge: A rigid structure towed on the seabed, usually used for shellfish.
- Demersal trawl: A trawl towed on the seabed, held open by a pair of trawl doors. It usually uses a much larger net than a beam trawl.