



Department  
for Environment  
Food & Rural Affairs

[www.gov.uk/defra](http://www.gov.uk/defra)

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

**10 February 2015**



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# Section 1: Introduction

## Scope of the consultation

Topic of this consultation	This consultation sets out proposals for addressing latent capacity in the 10 metre and under sector of the English fishing fleet.
Scope of this consultation	<p>The purpose of the consultation is to seek your views on proposals to reduce latent capacity within the English 10 metre and under (u10m) fishing fleet for both quota species and shellfish.</p> <p>We intend any changes to take effect from 1 January 2016.</p>
Geographical scope	These proposals apply to English registered vessels which currently have access to the u10m fishing quota pool managed by the Marine Management Organisation (MMO) or are members of a Producer Organisation and to those that have shellfish entitlements.

## Basic information

To	We would like to hear from any English registered u10m vessel owners or from anyone interested in this issue. For this reason, in addition to individual licence and shellfish entitlement holders, we are seeking the views of all fishing interests.
Body / bodies responsible for the consultation	This consultation is being carried out by the Domestic Reform Team in Defra's Sustainable Fisheries and Marine Planning Division in liaison with the Marine Management Organisation (MMO)
Duration	This is a seven week formal public consultation held from 10 February 2015. This issue has been discussed previously with the MMO, NUTFA and NFFO.
Enquiries	<p>During the consultation: <a href="mailto:fisheriesreform@defra.gsi.gov.uk">fisheriesreform@defra.gsi.gov.uk</a></p> <p>After the consultation, a summary of responses will be placed on our website at:</p> <p><a href="http://www.gov.uk/defra">www.gov.uk/defra</a></p>

	<p>To see consultation responses and summaries please email:</p> <p><a href="mailto:fisheriesreform@defra.gsi.gov.uk">fisheriesreform@defra.gsi.gov.uk</a></p> <p>If you have any comments or complaints about the consultation process, please address them to Defra consultation co-ordinator, Room 629 Millbank, 17 Smith Square, London, SW1P 3JR</p> <p>or email <a href="mailto:consultation.coordinator@defra.gsi.gov.uk">consultation.coordinator@defra.gsi.gov.uk</a></p>
<p>How to respond</p>	<p>You can respond to the consultation by email to:</p> <p><a href="mailto:fisheriesreform@defra.gsi.gov.uk">fisheriesreform@defra.gsi.gov.uk</a></p> <p>or by post to</p> <p>Domestic reform team</p> <p>Sustainable Fisheries and Marine Planning Division</p> <p>Area 8A, Millbank,</p> <p>17 Smith Square</p> <p>London, SW1P 3JR</p> <p>However you choose to reply, please make sure your response reaches us by 31 March 2015.</p>
<p>After the consultation</p>	<p>We will summarise all responses and place this summary on our website at <a href="http://www.gov.uk/defra">/www.gov.uk/defra</a></p> <p>This summary will include a list of names of organisations that responded but not people's names addresses or other contact details.</p> <p>If you do not want your response – including your name, contact details and any other personal information – to be publicly available, please say so clearly in writing when you send your response to the consultation. Please note, if your computer automatically includes a confidentiality disclaimer, that will not count as a confidentiality request.</p> <p>Please explain why you need to keep details confidential. We will take your reasons into account if someone asks for this information under freedom of information legislation. Because of these laws, we cannot promise that we will always be able to keep these details confidential.</p>
<p>Compliance</p>	<p>This consultation is in line with the Consultation principles. These can be</p>

with the Code of practice on Consultation	found at: <a href="http://www.gov.uk/government/publications/consultation-principles-guidance">www.gov.uk/government/publications/consultation-principles-guidance</a>
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## Background

Getting to this stage	Following a licence capping exercise which took place in 2009 we have carried out a further review, in collaboration with the MMO, of the fishing activity of the u10m fishing fleet in order to determine whether there is an ongoing issue with latent capacity and how this should be addressed. In response to industry concerns we have undertaken a similar exercise on latent capacity for shellfish entitlements.
Previous engagement	We have previously discussed with the NFFO and NUTFA how we wanted to address this issue. We have also discussed our proposals with the MMO's quota management team.

## Section 2: Questions and answers

### Purpose of consultation

Our vision for the English fishing fleet is for an economically and environmentally sustainable industry. We want fishermen to be 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. We want to reduce the regulatory burden, while ensuring a high degree of compliance with fisheries management measures. This will protect the viability of stocks, while safeguarding and enhancing the marine ecosystem.

The fishing quotas for the English u10m fleet are currently managed by the Marine Management Organisation (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 may vary throughout the year. In 2013 the English u10m fleet caught about 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.

A restrictive licensing scheme for shellfish<sup>1</sup> 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. Only vessels with a shellfish entitlement attached to their licence are authorised to fish for shellfish. Those without an entitlement are allowed to retain and land 25 crabs and a combined total of 5 lobsters and/or crawfish a day. Those not targeting these species are allowed 10% by-catch.

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 1951 vessels that held uncapped licences at 1 November 2014.

In addition, of the 1,856 u10m vessels that have shellfish entitlements, there are currently 256 vessels that have not fished for shellfish species since 2010 or earlier. This information has been collected using RBS and Monthly Shellfish Activity Return (MSAR) data.

The purpose of this consultation is to gather views from industry and other stakeholders about whether they believe that the issue of latent capacity in the u10m finfish and shellfish sectors needs to be tackled and how they think we should do this.

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

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

## **What is Defra proposing to do?**

### **Option 1**

In 2009 Defra capped the licences of vessels that had not caught quota species between 2006 and 2008 at a level of 300 kg a year for quota species.

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

We propose to extend this capping scheme to ensure that any licence for a vessel that has caught less than 300 kg of quota species in each year between 2010 and 2013 will be capped. This would mean that a further 677 vessel owners would receive a capped licence. We are proposing a limit of 300 kg, as this already exists for some licences.

We will ensure that holders of licences that are capped will be able to comply with the landings obligation<sup>2</sup>, which provides that operators will not be allowed to discard quota species.

In addition, we are proposing to remove shellfish entitlements from u10m vessel licences where they have not been used to catch any shellfish since 2010. This proposal would not change the current rules, whereby vessels without shellfish entitlements are allowed to catch specified amounts of different species (licence holders without an entitlement are currently allowed to retain and land 25 crabs and a combined total of 5 lobsters and/or crawfish a day. Those not targeting these species are allowed 10% by-catch.

To identify the vessels that would be considered for a licence cap, or to have shellfish entitlements removed, we have used data collected by the MMO under the Registration of Buyers and Sellers Regulations and by Cefas through the MSAR1 forms. We have applied a four year track record covering the period 2010 to 2013.

## Option 2

An alternative to Option 1 would be to place 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 described in Option 1 would be used. The restrictions would mean that the entitlement of vessels to fish for quota species or shellfish would be limited at 300 kg for quota species and 0 kg for shellfish. The current allowance for those without entitlements would not be affected. The restriction would continue if the entitlement is transferred as part of a licensing transaction.

Option 2 would enable us to determine whether or not the removal of latent capacity from the u10m pool and shellfish catching sector would help to protect fisheries and provide economic stability for those vessels that remain active. If stocks recover and there are more fishing opportunities, those restricted licences could have the restrictions removed or relaxed. So this option gives more flexibility than Option1 for balancing fishing opportunities to capacity.

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<sup>2</sup> The landing obligation applies to all quota species and was introduced in pelagic fisheries on 1 January 2015. Its application in demersal fisheries will be phased . It will apply in some fisheries from 1 January 2016 and will be completed for some other fisheries on 1 January 2019.



## Intention of the proposal

The intention behind these proposed options is to achieve a more appropriate balance between the capacity in the inshore fleet and the quota available to it. It is also to ensure that inactive shellfish vessels do not suddenly become active, thus increasing effort in these fisheries. Increased effort could have a detrimental effect on the prospects of the stocks being exploited at Maximum Sustainable Yield.

## Benefits of the proposal

At present, we do not consider that there is a significant practical problem with the capacity of the u10m sector fleet. However, if a substantial number of inactive vessels decide to re-join the fishery then that could change quickly. The amount of quota allocated to each vessel would then be reduced dramatically. This would mean that the number of vessels actively fishing, compared to the amount of quota available to them would make fishing against the pool economically unviable. Capping licences to reduce the latent capacity in the fleet would reduce this risk considerably.

We believe that, by reducing current inactive capacity from the u10m quota pool, we can provide more certainty for the vessels that remain in the pool. If a significant number of inactive vessels started fishing again, using any, or all, of their monthly allocations, currently active vessels would be put at a disadvantage. Currently active vessels would have to reduce their catches because the quotas would be more thinly spread across more vessels. As there is a high level of uncertainty about whether inactive vessels will return and cause the quotas to be reduced, this decreases the ability of active vessels to plan their businesses efficiently in the long term.

Reducing the number of vessels that have unrestricted access to the pool based on track records could also allow the MMO to manage the pool more flexibly and effectively. This is because the MMO would have better information on how many vessels will be fishing for specific quotas during the year and can plan accordingly.

We accept that measures to restrict the catching of quota by some vessels could pose challenges to those who continue to catch non quota species when the landing obligation comes into force. To address this we are looking at different management options for the u10m pool and some of these have been included in a separate consultation on the demersal landing obligation.<sup>3</sup>

For the shellfish sector, we believe that not acting now could have a detrimental impact on the state of the stocks. Stock assessments indicate that some shellfish stocks are already

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<sup>3</sup> [www.gov.uk/government/consultations/common-fisheries-policy-implementation-of-the-demersal-landing-obligation-discard-ban-in-england](http://www.gov.uk/government/consultations/common-fisheries-policy-implementation-of-the-demersal-landing-obligation-discard-ban-in-england)

overfished and acting now to prevent currently inactive vessels returning to these fisheries would increase the risk of them being exploited at Maximum Sustainable Yield.

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

**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?**

**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?**

**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?**

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

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

## **Public consultation**

Defra has raised this issue in discussions with representatives from the MMO, NUTFA and NFFO. This consultation is intended to request comments from all stakeholders and members of the fishing industry.

## **Section 3: Summary of questions**

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

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

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

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?

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?

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?

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

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

## **Section 4: Distribution of the consultation**

- All English u10m vessel licence holders and u10m shellfish entitlement holders
- The National Federation of Fishermen's Organisations (NFFO)
- The New Under Ten Fisherman's Association (NUTFA)
- All Inshore Fisheries Conservation Authorities (IFCAs)
- Local Fishermen's Associations

## **Section 5: Consultation principles**

This consultation is in line with the consultation principles

<http://www.gov.uk/government/publications/consultation-principles-guidance>

## Section 6: Having your say

We welcome your views and comments on the proposals. We would prefer you to respond to the consultation questions using the online survey on our consultation website:

[www.gov.uk/defra](http://www.gov.uk/defra)

Alternatively, if you are unable to respond online you can respond:

- via e-mail to [fisheriesreform@defra.gsi.gov.uk](mailto:fisheriesreform@defra.gsi.gov.uk)
- in writing to Domestic Reform Team, Sustainable fisheries and Marine Planning Division, Defra, Area 8A Millbank, 17 Smith Square, London SW1P 3JR

If you wish to obtain a hard copy of this consultation, please contact us via the postal or email addresses above.

Responses should be received by **31 March 2015**.

## Section 7: What will happen to your responses?

We will summarise all responses and place this summary on our website at:

[www.gov.uk/defra](http://www.gov.uk/defra)

This summary will include a list of names of organisations that responded but not people's names, addresses and other contact details.

We will also retain a copy of the responses. This is so that the public can see them. Also members of the public may ask for a copy of responses under freedom of information legislation.

## Section 8: Confidentiality issues and freedom of information

- Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the environmental Information Regulations 2004).
- If you want information that you provide to be treated as confidential please be aware that, under FOIA, there is a statutory Code of Practice with which public

authorities must comply and which deals, amongst other things, with obligations of confidence.

- In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
- The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.