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Select Committee Review

Fishing and Fisheries

Supplement Pack Two

Wednesday 22 August 2018
2.00 pm
National Marine Aquarium, Rope Walk. Coxisde, Plymouth PL4 0LF

Members:
Councillors Mrs Aspinall, Buchan, Carson, Churchill, Corvid, Fletcher and Morris.

Please find attached additional information, for your consideration, under agenda item 5b.

Tracey Lee
Chief Executive

Select Committee Review

Agenda

PLYMOUTH CITY COUNCIL

Subject:	Fishing and Fisheries
Committee:	Select Committee Review
Date:	22 August 2018
Cabinet Member:	Councillor Tudor Evans OBE, Leader
CMT Member:	Anthony Payne (Strategic Director for Place)
Author:	Amanda Ratsey (Head of Economy, Enterprise and Employment)
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Ref:	Your ref. BILCO4
Key Decision:	No
Part:	I

Purpose of the report:
The report sets the context for a scrutiny select committee review of fishing and fisheries. It covers: -

- the political drivers that have led to the decision to hold a Select Committee review and the efforts we have made to engage relevant stakeholders in the review.
- Feed into the Council's response the Fisheries White Paper
- the impact of the UK leaving the EU in terms of the Common Fisheries Policy and European Maritime and Fisheries Fund.

It provides an overview of the economic contribution of the industry across the SW peninsula and the challenges faced by fishermen and their families. A brief summary is provided of the key proposals from the white paper, "Sustainable Fisheries for Future Generations", published by the Department for the Environment, Food and Rural Affairs on 26th July 2018. The conclusions of the Scottish Parliament about the likely impact of the UK on the industry are examined.

Some tentative conclusions are drawn about:-

- The economic and cultural contribution of the industry to coastal communities.
- The need to secure a fairer share of fishing opportunities and to reform the quota system.
- The potential offered to achieve some of these aims through a system of zonal attachment.
- The need for investment in infrastructure and a replacement for the European Maritime and Fisheries Fund (EMFF).

Corporate Plan

Plymouth is Britain's Ocean City and the Fishing Industry is part of our heritage and a key contributor to our vibrant waterfront. The scrutiny review approach embeds our values, it is democratic, responsible fair and cooperative. The subject matter reflects our growing city priorities, in particular, economic growth, jobs and skills and sustainability. We are delivering in line with our commitment to listen to our communities and to provide a strong voice for Plymouth regionally and nationally.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

No implications are anticipated for the MTFP at this stage, resources implications are limited to member and officer time and the provision of a venue.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

- Issues around the economic difficulties and uncertainty faced by fisherman and their families are discussed in the body of the report.
- Fishing is a dangerous occupation and it is anticipated that health and safety issues of relevance to the industry may be discussed.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

The Select Committee is only able to make recommendations which will need to be endorsed by Cabinet. An EIA will be completed when Cabinet endorsement is sought.

Recommendations and Reasons for recommended action:

The select committee is asked to note the report and to consider it alongside the evidence that will be offered by stakeholders.

Alternative options considered and rejected:

N/A

Published work / information:

- Sustainable Fisheries for Future Generations", published by the Department for the Environment, Food and Rural Affairs on 26th July 2018
- The UK Sea Fisheries Annual Statistics Report 2016. MMO, published 28th September 2017
- Economic Impacts of Scenarios for Scottish and UK Seafood Industries Post EU Exit
- Fishing for a Future: An Analysis of Need, Challenges and Opportunities in UK Fishing Communities an Interim Research Report by Cornwall Rural Community Charity & Rose Regeneration on behalf of Seafarers UK (Jan 2018)
- Living on the Edge – Britain's Coastal Communities Scott Corfe – Social Market Foundation – Sept 2017

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
Fishing and Fisheries Paper for	✓								

June Meeting of Brexit, Infrastructure and Legislation Scrutiny Committee									

Sign off: No decision being taken at this point

Fin	**N/A**	Leg	**N/A**	Mon Off		HR	**N/A**	Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report - Yes													

EUROPEAN AND NATIONAL CONTEXT OF FISHERIES

When Britain became a member of the European Union in 1973 they became bound by the Common Fisheries Policy (CFP). Under the CFP member states' share of the Total Allowable Catch (TAC) is laid down using a formula known as 'relative stability', which is based on historic catch records most of which pre-date the CFP, and were drawn up at a time when a significant proportion of UK fishing was undertaken in Iceland, whose waters are not EU. It is a political criterion and is not based on stock distribution.

Following Brexit the UK will become an independent coastal state whose relationship with the EU and its member states will be bound by the UN Convention on the Law off the Sea (UNCLOS) and 1995 United Nations Fish Stocks Agreement. Under UNCLOS the UK will have the right to determine the extent to which it exploits all fish stocks in its Exclusive Economic Zone (EEZ). When the UK leaves the EU, relative stability will no longer apply for the UK. An alternative approach is zonal attachment, whereby a TAC is shared according to the spatial distribution of a stock for each species over time. This is the system used by Iceland and Norway and many other countries across the world.

The system of relative stability has been in place for a long time and unfairly benefits other EU member-states. For example, Ministers have pointed to the French getting approximately four to five times more cod or haddock than the English fleet, and twice as much plaice. This is explained in greater detail in appendix 1.

The total net gain to the UK of zonal attachment has been estimated at £420m a year. Over the five year period from 2011 to 2015, non-UK EU fishing boats landed almost eight times more fish and shellfish (by weight) from the UK Exclusive Economic Zone (EEZ) than the UK did from other areas of the European Union's EEZ, or almost five times more by value.[1] By comparison, Iceland retains 90% of zonally attached fish and Norway retains 84%.

A relatively modest rebalancing of quota facilitated by zonal attachment in the South West could potentially improve the situation considerably for the UK fleet – whether or not this will benefit the large or small enterprises is dependent upon the future quota allocation distribution system.

It was recognised at the outset that the landing obligation would require member states to better match quota allocations to individual vessels with their likely catches. Quota based on zonal attachment could help the UK facilitate this. It would also reduce the risk of illegal discards, enable further progress towards Maximum Sustainable Yield (the highest possible annual catch that can be sustained over time, by keeping the stock at the level producing maximum growth, a hypothetical equilibrium state between the exploited population and the fishing activity) and, in doing so, help secure the long-term sustainability of UK fish stocks.

As a first step towards the UK reverting to independent control of its fisheries, the UK government gave notice in July 2017 of its intention to withdraw from the London Fisheries Convention. The Convention allows vessels from five European countries to fish within 6 to 12 nautical miles of the UK coastline. Their rights of access will cease in July 2019. An estimated 10,000 tonnes of fish, including mackerel and herring was caught by fishing vessels from France, Belgium, Germany, Ireland and the Netherlands in 2015 within 12 nautical miles of the British coast – worth an estimated £17m.

[1] NAFC Marine Centre, University of the Highlands and Islands, Fish landings from the UK Exclusive Economic Zone and the UK landings from the EU EEZ, 2016.

The terms of the transition period were agreed on the 19th March 2018. The agreement outlined that the UK's share of fishing catch will be guaranteed during transition but the UK will effectively remain part of the Common Fisheries Policy, without a direct say in its rules, until December 2020.
On the 4th of July DEFRA published their blueprint for a sustainable and profitable sighing industry that will regenerate coastal communities and support future generations of fishermen.

PLYMOUTH CONTEXT OF FISHERIES.

Plymouth is the administrative port that supports the most full time equivalent jobs in England with a 1,000 jobs[2].

It is placed among the top 10 UK ports by the volume of landings, and consistently features among the top 3 English ports for both volume and value. In 2016 Plymouth landed the highest tonnage of the lower value pelagic species (not shellfish or demersal species which live on or near the seabed) in England, 69,000 tonnes, equivalent to £3.2m. Whilst the highest value species landed was Shellfish, where 28,000 tonnes was valued at £6.4m.

In terms of number of vessels, Plymouth has the second highest number of vessels registered in the UK (506), closely behind Newlyn at 585, who have a larger proportion of 10m and under vessels.

On the south coast of the UK Plymouth is the clear leader in capacity (GT, a measure of size and capacity of a fishing fleet, including the average size of vessels, which in turn are assumed to approximate to the pressure on marine fish resources and the environment).

In an average year Plymouth Trawler Agents deal with some 350 vessels of which 80% are under 10m boats. Gross sales through the Plymouth Trawler Agents electronic auction in 2016 was £17.2 million.

Plymouth Trawler Agents (PTA) sells catches landed by boats in Plymouth as well as collecting or arranging transport from a large number of ports that have limited fish-selling facilities of their own. The long list of such ports includes, Cowes, Dartmouth, Lowestoft, Portsmouth, Southampton, Weymouth and Whitehaven.

Plymouth City Council introduced a scheme to keep fishing boat crews safer at sea has proved so successful, the Council is hoping to expand the project. A total of 250 life-jackets with personal locator beacons have been given to people who earn their living at sea and contribute to Plymouth's economy as part of a scheme to help reduce loss of life and accidents within the local fishing industry. Plymouth City Council are committed to supporting the fishing industry as was evidenced in the Joint Local Plan, where the site was protected from redevelopment.

RISKS FOR PLYMOUTH.

Borders and Trade.

It is hoped that agreement will be reached on a frictionless flow of trade between the UK and the EU, but consideration is already being given to what might happen if this is not the outcome. Seafood 2040 – A Strategic Framework for England, recognises the importance of the EU market, but also cites Brexit as presenting opportunities as well as risks. The report concludes that *"Currently, UK seafood exports are heavily directed towards Europe, but by rebalancing our 'export portfolio', we can diversify into export markets in other major regions."*

[2] UK sea fisheries annual statistics report 2016.

The risk that arise from Brexit are concentrated on the risk of a no-deal Brexit, and the resultant hard border. There's currently no infrastructure in place at ports to act as a hard border with the EU, which may pose serious risks to the fishing industry. With the risk of a hard Brexit only 6 months away, there is a high risk of not getting eth necessary infrastructure in place. This includes, at a local authority level, additional environmental health officers, and the erection of Boarder Inspection Posts at Millbay, with the associated planning and associated highway requirements. This will have serious impacts which could results in delays to the delivery of fresh-fish to international markets, and the possibility of spoilt produce.

Loss of Protected Status.
In addition to this, as we leave the EU we will lose the protected status of our food and drink products, although none of these are of direct relevance to Plymouth, Cornish Sardines and Fal Oysters will lose this protected status. The origin of these protected products, so close, to Plymouth may have repercussions to the local fishing industry.

EU Retaliation.
There are also concerns that as we leave the EU, there will be EU fleet retaliation. We could see the return of the cod wars and the associated cost of additional policing and defence of our waters. Denmark has already built a legal case, which could potentially be fought in the International Court of Justice in The Hague. The case seeks a Brexit deal that recognises the right of the Danish fleet to continue to exploit shared stocks based on their historical fishing patterns in UK waters. This position is likely to be mirrored by other member states who rely on fishing opportunities in UK waters. As we leave the Common Fisheries Policy these legal challenges may become confrontational, as seen during the Cod Wars of the 1970s.

Infrastructure.
Finally, as the regulations and framework change, it is likely that the supply flows will adapt and change. This might or might not be to the benefit of the UK. Instead of fish being transported to the continent for storage and processing there might be opportunities for Plymouth and other UK ports. A recent strategy document published by Seafish[1] reports that an estimated 72,000 tonnes of fish caught under UK license are landed abroad, partly due to inadequate facilities and infrastructure in UK ports. The report argues, "*The added value this fish could bring to the wider UK economy in terms of support services is lost. By amending the requirements of the vessel license, we could grow the economic returns to the UK, adding value not just within fishing ports and markets, but in terms of skills training, onshore infrastructure, storage and processing facilities, which all bring social benefits to coastal communities."* This is very relevant to Plymouth, with established processing capacity and being well positioned to exploit new export opportunities.

New Entrants.
The uncertainty caused by Brexit will act as a barrier for new entrants into the fishing industry and act as a barrier for investment in new machinery and technology existing businesses. The impact of the lack of investment during this period of uncertainty will have longer term implications.

OPPORTUNITIES FOR PLYMOUTH.

Increased TAC.
Leaving the Common Fisheries Policy affords the UK a larger share of Europe's TAC, with obvious economic benefits to our current fishing industry. These additional opportunities allow the UK the opportunity to sell these additional stocks onto member-states, or, to expand and develop our

[1] Seafish, Seafood 2040 – a strategy framework for England, 2017

nation's fisheries to fill the gap. The White Paper states that any quota gained as a result of negotiations with the EU will be distributed through a tender or auction scheme.

Policy.
When the UK leaves the CFP the principle of relative stability will no longer apply and the UK will seek additional fishing opportunities through the process of 'annual exchanges' as part of annual fishing negotiations. The White Paper states the UK's commitment to consider multi-annual agreements for appropriate stocks, allowing UK fishermen the opportunity to develop business plans as their share of fishing opportunities become more certain, increasing the prospect of investment and improving the profile of the industry as a more successful business model.

Profile of the Industry.
As the UK leaves the European Union we are also afforded the opportunity to address the profile of the industry. Although traditionally commercial fishing has been an entry point for low skilled labour as well as those who are better qualified, it is not a low skill activity. While there are obstacles and barriers – to an extent as the result of the current regulatory system – the industry offers a route to developing high calibre professional and specialist skills and well remunerated employment. The remuneration for crew with the appropriate skills and experience can be competitive. A survey by Seafish found that average wage for deck crew on beam trawlers at Newlyn is £50,000 a year and for gill netters £30,000 - £40,000. This compares well with the average annual gross pay in Plymouth of £26,921.

Organisational Restructure.
Plymouth has four highly respected marine based academic institutions, is well placed to be centre stage in any developments. We also have a developed fisheries sector which covers many different types of fishing from large beam trawlers to small day-trippers we are an ideal area to pilot new technologies and new structures to support the sector. Uniquely we have over 100 years of data which has been maintained by SAHF which would help with data monitoring. As the organisational institutions look to become more streamlined, Plymouth can lend its immense expertise to explore opportunities for regional or national fishing hubs.

Policing and Enforcement.
Although there is significant risk of EU member-states illegally fishing in UK waters, there is an opportunity with the necessary increase in policing and enforcement. The Joint Maritime Operations Co-ordination Centre (JMOCC) is comprised of 12 main partners including the Royal Navy, Maritime and Coastguard Agency, IFCAs (Inshore Fisheries and Conservation Authorities) and the UK Border Force. As home to the largest naval base in Western Europe, and positioned in the middle of the 3 largest fishing ports in England, Plymouth will have a significant role in hosting additional security measures.

Sustainability.
Change in fisheries policy, as a result of Brexit, also allows the country to put sustainability at the forefront of our strategies. With ambitions of a National Marine Park, and an ongoing commitment to abolishing marine plastics and the devastating practice of discards, and a world-class cluster in marine science, Plymouth has the opportunity the shape the future direction of the fishing industry.

The recent publication of Defra's Fisheries White Paper, offers the city the opportunity to reflect on those issues that are of local importance. This has led to the decision to hold a Select Committee review in order to gain deeper understanding of the issues faced by our local fishing industry and how Plymouth City Council can best support them in a time of great change.

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