

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee

Friday 12 February 2021

PRESENT:

Councillor Winter, in the Chair.

Councillor Drean, Vice Chair.

Councillors Allen, Buchan, Mrs Pengelly (substitute for Councillor Mrs Bridgeman), Riley, Stevens and Wheeler.

Apology for absence: Councillor Mrs Bridgeman.

Also in attendance: Councillor Tudor Evans, OBE (Leader), Andrew Loton (Head of Governance, Performance and Risk), Kevin McKenzie (Policy and Intelligence Advisor) and Helen Prendergast (Democratic Advisor).

The meeting started at 9.00 am and finished at 12.50 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

26. Minute's Silence for Leigh Spencer

Councillor Winter (Chair) advised that the meeting would commence with a minute's silence in memory of Leigh Spencer, a fisherman from Millbrook, who had tragically lost his life at sea over the weekend. He left a wife and two young children.

27. Declarations of Interest

In accordance with the code of conduct Councillor Buchan declared a private interest as she was a Council representative and Vice Chair on the Devon and Severn Inshore Fisheries Conservation Authority and a Cattewater Harbour Commissioner.

28. Chair's Urgent Business

There were no items of Chair's urgent business.

29. UK-EU Trade and Cooperation Agreement - Fisheries

Councillor Tudor Evans, OBE (Leader) provided an overview of the following –

- (1a) the Council's long term commitment to securing a sustainable future for the city's fishing industry which included -

- the lifejacket scheme which provided free jackets with locator beacons to fishermen had saved lives at sea;
 - the refusal to allow the redevelopment of the city's fish quay for restaurants, shops and accommodation;

 - the select committee which had been held two years ago which listened to the industry and helped inform the Council's Plan for Sustainable Fishing;

 - the support the Council provided to the Plymouth Trawler Agents, during the Covid, pandemic, in setting up Call4fish which helped fishermen from Berwickshire to Jersey to get their catch to customers;

 - options were currently being explored, by the Council, on how to improve the fish market, to provide better facilities for the city's fishing fleet;

 - the Council planned for a bright future for the city's fishing industry and was ready to make the most of the opportunities that had been promised by leaving the EU;
- (1b) a new era of prosperity for English fishing had been promised but had not been fulfilled which included -
- taking back full and absolute control of UK waters out to 200 miles;
 - the 12 mile limit was secured for the exclusive use for UK vessels;
 - a greater share of the catch in UK waters;
 - continued unrestricted access to European markets;
- (1c) the Council had written to George Eustice MP (former Minister of State for Agricultural, Fisheries and Food) and Victoria Prentis MP (Under Secretary for Farming, Fishing and Food) on three occasions seeking -
- a meeting with local fishermen, in order to hear their concerns at the lack of readiness for the end of the transition period;
 - more support for fishermen during the Covid crisis;
- (1d) the Council lobbied for English fishing to have a greater voice in the future management of its fisheries;
- (1e) the All Party Parliamentary Group on fishing had been addressed in order to put the city's case direct to those MPs who would listen.

Rodney Anderson (former director of Marine and Fisheries at Defra) presented the report on UK-EU Trade and Cooperation Agreement - Fisheries which highlighted the following main issues –

- (2a) the Trade and Cooperation Agreement (Agreement) -
- sets out the recalibrated quota distribution between the EU and the UK;
 - sets out the process for determining the total allowable catch (TAC) for quota species;
 - determined the future rights of access;
 - afforded the UK with greater policy and regulatory autonomy;
 - introduced tariff free access to the EU market (but there remained non-tariff barriers);
- (2b) there would be a five and a half year adjustment period, starting from January 2021, during which the value of catch the UK could take in its own Economic Exclusion Zone (EEZ) would increase up to an average of 25%;
- (2c) the government had calculated that the total value of the uplift to the UK, at the end of the adjustment period would be £146m (which had been substantially overstated) given that no allowance had been made for actual catch levels by EU vessels (which in some cases had been below the quota ceiling) and did not take into account other opportunities that previously existed for the UK to increase fishing opportunities;
- (2d) it had been stated that the UK would be able to increase the catch in its waters from approximately half to two thirds; however this only included the UK and EU and not Norway which also had some important fisheries in UK waters; this sharing agreement had yet to be fully negotiated with Norway and the Faroes; the value of the fish that the UK caught in its own EEZ would be unlikely to increase above 60%;
- (2e) there had been uplifts to quotas across the five year adjustment period for the UK but these had not been evenly spread; uplifts in quotas had included hake, Norway pout and sprat; other species important to the UK had not seen an increase or only marginal increases;
- (2f) the Agreement contained detailed arrangements for setting annually the total allowable catch (TAC) of each of the shared fish stocks subject to quota;

in many respects the process was similar to what occurred when the UK was within the Common Fisheries Policy, except that the UK would be negotiating with the EU as a third country; this process would not feel different to the fishermen on the ground;

- (2g) determination of future rights of access and the adjustment period -
- until June 2026 (the end of the adjustment period), the EU and UK would have reciprocal rights of access to catch the allowable quotas, after which there would be annual negotiations on access;
 - there would be far more EU vessels in UK waters (rather than vice versa); there were approximately 1500 EU vessels licensed to fish in UK waters; these vessels were 25m or larger (this was more than the vessels licensed in both Scotland and England); given the number of vessels allowed to fish in UK waters, there would be a major task in managing the UK fisheries;
 - a 'red line' had been crossed for the industry with the permission of EU vessels, that had an historic record, to continue to fish in the 6 – 12nm zone of parts of the UK's territorial waters (almost exclusively in English waters) for at least the next five and a half years (and possibly indefinitely);
 - the majority of UK licensed vessels were under 10m and fished in the 6 – 12nm zone; with the concentration of both UK and EU vessels inshore, it would limit the opportunities for the smaller UK vessels; the smaller vessels had less flexibility (in where they could fish) than the larger vessels;
 - the Agreement provided the right for the EU fleet to fish non-quota species, some of which were important to the South West (such as bass and cuttlefish); access to non-quota species was based on tonnage; EU vessels would need to demonstrate that they had caught an average tonnage per year; however this had not been measured in the past; the records would show the tonnage caught but not the ICES areas, nor whether the vessel had been fishing or just traveling through an area;
 - the Agreement provided for cooperation and data sharing however, arrangements for this process had yet to be put in place;
 - the Marine Management Organisation (MMO) had stepped up its monitoring capacity but this was still limited; currently there were no arrangements in place for monitoring at sea; there had been no inspections at sea during January 2021;

enforcement was very important to the South West fleet as it wanted a properly regulated fishery, otherwise livelihoods would be threatened;

- the Agreement provided for a specialised committee on fisheries; the committee was empowered to consider and agree, a range of matters of shared interest including measures for fisheries management and conservation, data collection and sharing and joint control, monitoring and surveillance programmes; however, the European Parliament had yet to formally ratify the Trade and Cooperation Agreement and it was anticipated that the specialised committee would not be set up until early summer 2021 (at the earliest);
- (2h) the UK could seek to change the quota distribution or the right of access but there was a presumption in the Agreement that these would be rolled forward and if there were any changes that disadvantaged the EU fleet, the EU could take compensatory actions, by introducing tariffs on fish products/other goods and services and withdraw other elements of the Agreement outside of fishing; the European Commission had made it very clear that it would seek to protect EU fishing communities; if the Agreement were to be changed to restrict EU vessels gaining access to the 6/12nm zone, the government would have to take some tough decisions (given the implications to the overall Agreement);
- (2i) whilst the UK had reclaimed considerably more policy and regulatory autonomy this was not unrestricted; the UK had to act in accordance with the objectives and principles and follow the processes set out in the Agreement;
- (2j) having left the EU, the UK's third country status had been a huge disappointment to the catching sector; whilst some of the issues experienced in exporting would be temporary, as the industry, government officials and the EU got used to the new systems in place, there would be longer term issues;
- (2k) export work had been undertaken with the Plymouth Trawler Agents to prepare them for the end of the transition period; this had been very difficult, as there had been a lack of detailed information on the new rules and the effect of these; questions that had been asked in early 2019 had not been answered before December 2020 (the advice and guidance on export health certificates had been significantly changed three times between 18 December and 30 December 2020);
- (2l) whilst tariffs would not be applied there was additional paperwork required (such as catch certificates and export health certificates) and additional costs associated with this process (veterinary inspections);

goods would also need to go through Border Control;

- (2m) there were however longer term implications with the UK now being a third country since it had left the EU; the EU and member states had the right to require, checks and processes to be followed that safeguarded its citizens; those processes would remain and would have a disproportionate impact on smaller businesses; larger firms would be better placed to adjust to this situation; for smaller businesses exporting smaller quantities of fish this may prove to be uneconomical;
- (2n) the UK government was urged to implement a strategy as a matter of urgency in order to provide clarity (Marine Scotland already had a strategy in place).

The following questions were raised by Members –

- (2o) with regard to EU vessels requiring licenses to fish in 6 and 12nm zone, how long were these licences applicable for?

response: these were annual licences (and could only be altered if circumstances changed); to date, there were 60 EU vessels that had already been licensed;

- (2p) whether further information could be provided on enforcement at sea? How many vessels did the UK have to undertake enforcement at sea and what was the cost of adequate enforcement?

response: there was a mixture of enforcement capacity which included Inshore Fisheries and Conservation Authorities (IFCAs) which had vessels around the coast that could undertake joint operations within the 6nm zone (if the vessels had a warranted officer on board they could go to 12nm and further); the Marine Management Organisation (MMO) had commissioned two vessels to provide enforcement and had arranged with the MOD for the Royal Navy to provide fishing inspection vessels;

- (2q) whether there was reliable data available relating to the fish caught in UK waters but landed in non-UK ports?

response: data was captured from the log books on board the vessels, landing declarations and sale notes; for fish landed in EU ports, data would need to be provided to UK authorities; however, as of 10 days ago, arrangements for the exchange of information had yet to be put in place; the UK as a third country did not have entitlement to this information, although there was a vested interest in the EU and member states providing this information.

30. Exports of fishery produce from Great Britain to the EU and NI

Sarah Holmes (Legal Director, Womble, Bond, Dickson (UK) LLP) presented the report on export of fishery produce after 31 December 2020 from Great Britain to Northern Ireland and the European Union which highlighted the following key points

-

- (3a) explained that she did not work in the fishing industry but had taken a personal interest regarding this issue and had spent several hundred hours drilling into the trading aspects, speaking to individuals and considering how to address these issues;
- (3b) whilst the report had been provided to Councillors late, they had more hours to read it, than the industry had to digest the new rules that were applicable to exports;
- (3c) the table contained within the report summarised the processes applicable to the export of fishery produce from UK to the EU;
- (3d) the report contained the documents that were required to export fishery produce which included Economic Operator and Registration Identification (EORI) number, catch certificate, export health certificate, customs declaration and movement certificate; these had been included to demonstrate the level of bureaucracy that was now required;
- (3e) the trade barriers faced by the fishing industry had been as a result of the UK leaving the single market and had been apparent four years ago; there had been a lack of information provided by the government on the changes required, or advanced preparation being made at ports; this had resulted in a permanent loss of competitiveness for British fishing vessels and their produce in the sector's biggest market, the EU;
- (3f) although the Department of International Trade had managed to roll-over most of the trade agreements that the UK previously traded under, not all of the preferential terms had been retained; the only new trade agreement had been the Japan/UK Comprehensive Economic Partnership Agreement (which was substantially based on the Japan/EU trade agreement with some additions relating to e-commerce and financial services) but had less preferential provisions; there were no net gains for UK fishery produce in terms of access to markets in the rest of the world available to replace lost EU exports;
- (3g) there were no tariffs or other customs duties or quotas when trading with the EU, to both export goods to the EU and to import goods from the EU; however in order to benefit from this provision goods must originate in the UK or EU; whilst this was feasible for fishery produce, for other sectors such as manufacturing this was more challenging;

- (3h) small businesses could find that the cost of veterinary inspections to sign off the export health certificates would be more than the profit margin on small consignments; there had been a great deal of prejudice caused by the lack of knowledge, understanding and the real impact of leaving the EU;
- (3i) there needed to be an evidence-based discussion and evaluation with politicians and the industry, relating to what was needed to facilitate continuing fisheries exports; the main barrier had been the government prioritising regulatory autonomy over UK business competitiveness; evidence of standards would need to be provided which was a heavy burden, particularly for smaller exporters;
- (3j) UK fishing vessels could land fish direct in to EU ports but this would have a detrimental effect on the local fishing based economies;
- (3k) MPs for the South West fishing communities had negligible ability to influence UK trade policy, the negotiating objectives in future trade negotiations, or to scrutinise and approve the terms of future trade agreements, as the UK government had gained considerably more powers since the EU referendum, which had been at the expense of parliament;
- (3l) there had been a wide range of terms of how post-Brexit arrangements could have been but the political choices had resulted in the greatest possible barriers to trade for fishery produce.

The following questions were raised by Members -

- (3m) the UK used to trade with other countries before the single market, so what had changed?

response: the UK was still trading effectively with the rest of the world; the EU had the most extensive array of preferential trade agreements with the rest of the world than any other country/trading block; that had been one of the reasons for US companies to locate to the UK, when it was in the EU, so it could gain access to those trading agreements, that it did not have in the US; trading on preferential terms provided a competitive advantage; currently there had been a significant net loss of preferential access for businesses seeking to trade outside of the domestic market which comprised and England, Scotland and Wales;

- (3n) whether the EU was 'punishing' the UK for leaving the EU and the single market and whether the UK and EU could work together to resolve this?

response: all trade was conducted under rules; under the World Trade Organisation (WTO) rules the EU could not allow preferential access to the UK without a trade agreement in place, otherwise the EU would have to open up its markets to the rest of the world on the same terms; under the WTO Most Favoured Nation (MFN) rule the same trading terms must be applied to all WTO members (unless there were trade agreements in place);

- (3o) what was the difference with EU vessels landing in Plymouth?

response: consignments that had left Newlyn by lorry which had been destined for the EU had to go through the same paperwork process; (although this question could be better answered by one of the exporters);

- (3p) with regard to the cost of documentation, where did the cost derive from and was it an additional expense to the shipping costs?

response: there were no costs associated with the export health certificates; however there was an additional cost for the veterinary inspections which were needed to inspect the produce; for example the cost of a lorry with four consignments of shellfish would be £750 for the veterinary inspection (this cost would vary per consignment);

however there were also additional costs for border control inspections at the EU ports (which would not be the same for every trip); 100% of the paperwork would be inspected every time; however a percentage of inspections depending on species/product (20-50%) would have a physical inspection with some having lab tests/analysis undertaken; these costs would be placed on the importer which in turn made the UK less competitive (although some of these costs could be included in the incoterms which could result in the exporter refunding the importer's costs);

- (3q) what specifically could the UK government do better or what could the local authority ask for?

response: with regard to the export of the molluscs in class B waters (that needed to be purified through a depuration process), under the current legislation these were not permitted to be exported to the EU market; (Defra had drafted a regulatory framework); for this trade to resume the EU would need to legislate for the import of such molluscs;

- (3r) with regard to shellfish landing, it was presumed that domestic consumption was strictly regulated; what was the difference between the process that EU required and what the UK did and what would be necessary for the EU to accept that the UK had regulatory alignment in this case?

response: the difference now was that the UK was a third country and it needed to prove that it met the EU's regulatory requirements; it was considered that this issue could be resolved by the EU issuing a regulated framework.

David Stevens (Crystal Seas Fishing) and Steven Walker (fisherman) both provided expert witness evidence to the committee which included the following key points -

- (4a) firstly thanked Plymouth City Council for the opportunity to speak at this meeting; thanked both the Council and Councillor Tudor Evans, OBE for their continued commitment to the city's fishing industry and their support for the Call4fish initiative which had helped sell fish during these difficult times and had kept fishermen at sea;
- (4b) 92% of fishermen had voted for Brexit, as they had wanted the ability to make their own rules; they had a small proportion of their own catch in UK waters and wanted to improve this situation; it was recognised that there would be difficulties in exporting to the EU; however, it was considered that the improved quota share could offset a small percentage difference in the price received per catch and that exported; unfortunately the offset of gain from leaving the EU had not materialised and had been traded away through this Agreement;
- (4c) the UK did not buy enough fish for home consumption; there needed to be a media campaign to encourage more people to buy UK fish and support the British fishing industry; the public, also needed to know how to cook fish (as many people were afraid to do so); more work could be undertaken to promote British fish both in schools and care homes (a campaign for British fish Friday was suggested);
- (4d) the infrastructure would need to be improved and the ferry port and transport links needed to be taken advantage of; if both Sutton Harbour and Plymouth City Council could build a better infrastructure this could facilitate members of the public buying fresh fish from the market; if the domestic market could be expanded the fishing industry would not be less reliant on exporting to the EU;
- (4e) the fishing industry had been very disappointed that the UK had given away its leverage; for example Norway did not allow EU vessels in its territorial waters until agreement had been reached on quota shares;
- (4f) the industry felt betrayed by the government and also unprepared for the new trading arrangements; the government had left the industry to find solutions, in order to improve the current situation; the industry was both ready and willing to improve and it was imperative that it did but this could not be achieved without the political will;

- (4g) due to Covid, it was difficult to assess the impact/loss that the Agreement was having on the industry; currently losses were between 30% and 40%; however, the pandemic had provided time to address these problems before the industry fully returned to work;
- (4h) currently there was no enforcement taking place but this was due in part to the poor weather and Covid (currently skippers could refuse boardings); whilst there had been zero boardings of foreign vessels, during January 2021, this was not of concern; however the issue of enforcement would need to be addressed (cameras were used on board vessels and could be utilised for monitoring purposes);
- (4i) the industry felt 'heart-broken' as promises had been made by the government which had not been delivered; whilst the industry made up a small part of the gross domestic product (GDP), it had great potential to have a massive impact on the economy;
- (4j) the government needed to be aware of the feeling of the industry and the implications that the Agreement was having; the industry felt that it had been pushed to one-side and sacrificed for the good of the whole Agreement;
- (4k) previously (ten years ago) the industry would have promoted a career in the industry in both schools and colleges; with the current Agreement it would be impossible to support an apprentice, or young crew member; if this situation continued, it would have a detrimental effect on the sustainability of the industry;
- (4l) concerns were raised regarding government departments (Defra and MMO) working together for the benefit of the industry, as this had not previously occurred; the voices of the fishermen needed to be listened to in order to protect the future sustainability of the fishing industry.

The table contained with agenda pack (annex A) highlighted the percentage increase in species quota over the five year adjustment period.

The following questions were raised by Members –

- (4m) what was the cost of the cameras used on board and how could they be used for enforcement purposes?

response: the cameras were used mainly for data collection purposes but did have the ability for enforcement; it should be a pre-requisite for all vessels over 25m long entering UK waters to have cameras on board;

- (4n) with regard to the infrastructure in Plymouth and supermarkets losing fish counters, was this the infrastructure that needed more work?

response: a discussion had been held with one of the local major supermarkets, to allow fish mongers to operate the vacant fish counter in store but this had been refused; the quality of some of the fish sold in supermarkets was not as fresh as that locally caught; given that one of the biggest fish markets in the South West was on the door step of local supermarkets, this situation needed to be addressed;

- (4o) what would happen if a EU skipper, in UK waters, forgot to turn the camera on (as the UK did not have any right to this information)?

response: everyone would need to agree to the approach of using cameras on board vessels; this would need to be scoped to assess the both the benefits and impacts; if a UK-wide approach was adopted, EU vessels entering UK waters would have to comply with this;

for example, if a French vessel was in UK waters without its cameras on then it would be known and asked whether there was an issue; if this continued then enforcement could be used and the vessel would lose its access to UK waters; the use of cameras would be a long-term project and one which should be considered;

- (4p) whether the EU fishing industry could catch enough shellfish to satisfy its market and whether they needed to use UK waters?

response: the EU could not catch enough shellfish to satisfy its markets and relied on the UK's ability to export approximately 80% of its shellfish to the EU; if produced and processed in the UK, then the price of the shellfish could be increased thus benefiting the UK economy;

- (4q) whether the current deal allowed for the UK to rejuvenate ports would the industry recommend to someone to join it given this deal in place?

response: the industry was currently in a negative place with the 6-12nm zone rule being the worst part of the Agreement; this was a bad deal, and the extra costs were not outweighed by the gains; however, it was considered that the industry should still promote careers in the fishing sectors.

Charlie Samways (Samways Fish Merchant), Robin Turner (fishing industry consultant) and Andrew Trust (fish merchant), all exporters provided expert witness evidence to the committee which included the following key points -

- (5a) there had been huge difficulties with exports since 1 January 2021 and additional costs had been incurred, such as employing a vet to sign off and stamp the export health certificates;

(there had also been horror stories from others in the industry during this period);

- (5b) the government's Seafood Disruption Support Scheme had been designed to compensate businesses for losses in January 2021, however it was considered this should be widened to provide funding for extra costs including driver hours, container rental, extra mileage, vet costs, admin and operational time, loss of orders, freezing fish and loss of sales; currently the additional costs had been absorbed by the exporters, as they were unwilling to pass these costs on to the customer;
- (5c) the EU and UK had not sufficiently prepared its borders for the change in trading arrangements, and as a result of this, businesses were having to pay;
- (5d) the exporters felt frustrated by the feeling in the media, that the government seemed to think that the Agreement was a success story, as it was not;
- (5e) the cost of additional bureaucracy was adding between £750 and £1000 to the cost of a van load of crustaceans being shipped to France; this cost could be streamlined in the long-term, by improving IT systems that could simplify the paperwork;
- (5f) Plymouth should work with Roscoff (France) to co-ordinate export paperwork and support the licensing of the French ports for molluscs; currently exports from the region were being diverted via Portsmouth to Caen then on to Brittany which added extra time to the journey (24.5 hours as opposed to 11 hours Plymouth/Roscoff); this situation also incurred additional costs with regard to the additional mileage (1000 miles) and employing two drivers (instead of one);
- (5g) it should be noted that Cornwall Council had provided funding for the export health certificates and currently no bills had been issued for the veterinary inspections, although this funding would not continue; it was anticipated that the cost of each certificate would be £30/£35 (from Cornwall Council);
- (5h) the sector was saddened that there would be no economic benefit to the fishermen, processors, buyers or sellers and therefore the UK economy due to this Agreement;
- (5i) there was doubt whether any attempts to grow the UK market would be successful, as this had previously been unsuccessful; the import of cheap fish also had an impact on the domestic market;
- (5j) currently containers were proving difficult to source and the price had substantially increased;

- (5k) the additional procedures and costs had made it difficult to export, as any profit margins were being eaten up by the extra costs; the EU was the UK's largest market, however for smaller merchants exporting smaller consignments, this may prove to be uneconomical due to the additional costs.

The following questions were raised by Members –

- (5l) with regard to the additional mileage (clearing houses in Calais and Boulogne) was this due to the transit of produce to site and was that where the additional mileage was and whether the lorry queues had improved?

response: the additional mileage had related to delays in releasing exports (anything up to six/seven hours) which had resulted in missed connections; additional costs had been incurred relating to driver hours;

- (5m) would improvements to IT systems cut down on the bureaucracy?

response: the EU would need to approve the simplification of the paperwork (the UK would need to facilitate this);

- (5n) were the catch certificates more complicated now that the UK had left the EU?

response: on light landing days it would take five hours to input and complete the data for each vessel (if dealing with 100 vessels and seven species this would result in 92 entries for just one day);

- (5o) if the trade agreement had specified shellfish would this have been adequate to get around the current problems?

response: if the UK were to receive preferential treatment from the EU, as a third country, it would be in breach of the WTO regulations; in order to change this position, the UK would have to join the European Economic Area or customs union/single market;

- (5p) the status of the Free Trade Agreement with the EU would not cover the third country rule but did get around other import and export arrangements?

response: this situation did not relate to the deal; this was as a direct result of the UK leaving the EU and having a third country status; trading rules/regulations were applied by the WTO; the financial markets would also suffer from this position in the future;

- (5q) whether the Council's Sustainable Plan for Fishing provided the framework to expand the fishing industry and reinvigorate coastal areas?

response: it would be difficult to encourage people to join the fishing industry, if there was no sustainable business model to operate; action needed to be taken by the government as it was considered that it would take years to adjust to the new trading arrangements; there were measures that could be taken to increase the UK market but to achieve this it would have to compete against cheap imports (such as Russian cod fillets);

there needed to be certainty that when fishery consignments were exported they would not be rejected, or face lengthy delays due to the paperwork; if existing customers could not be supplied then this trade would be lost;

- (5r) whether the Seafood Disruption Support scheme was an admin facility to help with the paperwork:

response: this was a UK wide scheme, introduced by the government to provide up to £23m of financial assistance to businesses that had suffered financial loss due to the delays related to the export of fresh or live fish and shellfish to the EU during January 2021; this scheme was limited to claims of £100k per company.

Patrick Bauwen (Auxcis) provided a presentation on Auxcis the Kosmos system which highlighted the following key points –

- (6a) provided an overview of Auxcis; this was a Belgium based company that was started in 1983 and now employed 55 skilled people; it had three business units RFID solutions, E-trade systems and process control; the company had an annual turnover of 7.2m euro;
- (6b) the RFID technology allowed the fish to be tracked through the whole of the chain (vessel, auction market, processor, retailer and consumer (restaurants)); across the world 150 auction markets used this system daily and 65 fish markets; the systems were used across a number of different sectors including fish, flowers, livestock and vegetables;
- (6c) Plymouth Trawler Agents had been the first company in the UK to use the electronic auction system which had helped the company to increase its business;
- (6d) E-Catch (e-log) was a digital fisheries logbook application which provided a way to collect, map and share information;

- (6e) Kosmos had been launched in 2019, as a new trading platform that met the digitalisation needs of the E-trade sector; Kosmos was a cloud- based auction clock and information system; the platform could also offer a wide range of personal and general reports to different user groups, including government departments.
- (6f) in June 2019, Brixham Trawler Agents had been the first UK fish auction to introduce Kosmos.

The following questions were raised by Members –

- (6g) were there any reasons (given data protection) that the data collected by Kosmas could not be used to monitor catch, tonnage and locations (ie at various ports)?

response: the majority of data was already held by the Kosmos platform, very little extra data would be required to produce the export reports; the although platform would need to interface with other platforms to exchange the required information;

- (6h) was the location data originated by the skipper of the vessel or satellites?

response: there were several ways of communicating this information either through satellites, mobile phone, or fax;

- (6i) whether the workload had increased and whether the capacity already existed?

response: guidance was required on the exact information that would be required for the exports from the UK to EU; if the information was known it could be incorporated and the reports produced within a matter of days.

Councillor Winter (Chair) took this opportunity to thank all the witnesses that had come forward for this meeting and the enlightened and interesting evidence that had been raised, and advised that -

- (7a) this had been the first time that witnesses from across the fishing sectors had an opportunity to put their concerns publicly; 2000 jobs were directly affected in the fishing industry within Plymouth and the wider South West; Plymouth was the regional hub for selling fish;
- (7b) the difference between what had been promised to the city's fishermen, exporters and to the wider industry was markedly different to the actual reality which was the current situation;

- (7c) the UK was now in a position where it was less competitive, the processes were more bureaucratic and the quality of fish was suffering due to the time taken to complete paperwork and export the produce; whilst improvements could be made to the process, it would not ultimately change, due to the UK's third country status; the transient issues should have been foreseen and action taken to mitigate these issues;
- (7d) the meeting had been important, as it had provided the fishing industry with a platform to raise and acknowledge the current challenges; the council would continue to support the industry and it was incumbent that Brexit was a success.

31. **Recommendations**

The committee agreed to recommend the following recommendations for approval by the Cabinet -

- (1) regulatory changes the UK can make independently to facilitate trade and ensure a level playing field for UK fishermen;
 - for example the regulation of fishing within the 6 – 12 mile limit;
- (2) regulatory flexibility that could realistically be negotiated with the EU through the mechanisms afforded in the Trade and Cooperation Agreement;
 - for example the regulations governing the depurification of bivalves;
- (3) where regulatory barriers cannot be changed but apply an additional burden to UK fishermen to provide an effective subsidy arrangements that ensure a level playing field with their EU counterparts;
 - for example around the costs of compliance with the need for Export Health Certificates and Catch Certificates; this might be supported by an EFRA select committee enquiry into the impact of the Trade and Cooperation Agreement and the potential for this to be mitigated by the implementation of the Fisheries Act;
- (4) ask that the UK government could support the industry -

- (a) through measures to stimulate the UK market -
 - the role of the crown procurement service is supporting initiatives like Fish on Fridays in UK schools;
 - requiring UK supermarkets to ensure that the fish they sell is as fresh as possible eg sourced locally where this is possible;
- (b) by ensuring that the voice of the UK fishing industry is heard -
 - secure a role for local authorities in agreeing statutory fisheries management plans envisaged by the fisheries and a corresponding duty to consult with the local industry;
- (c) considering the future of the fishing industry -
 - securing the workforce of the future and establish suitable apprenticeship schemes;
 - upgrading the infrastructure the industry depends on, the quays and auctions;
 - the potential for electronic auction technology to be integrated with customs to reduce the administrative burden on the export industry;
- (5) measures that Plymouth City Council can take independently -
 - working with Brittany Ferries and AB Ports and the French customs authorities to secure the Plymouth/Roscoff route;
 - continue to support the industry across the South West peninsula and beyond through measures like Call4fish;
 - work with Sutton Harbour Holding and other partners to upgrade the fish quay;
 - explore how the Council can work with large retailers locally to improve the opportunities for selling local fish;

- review the opportunities area available within the city to improve training and apprenticeships within the fishing industry.

Officers were asked to review these recommendations with the expert panel members and industry witnesses present at the scrutiny meeting.