

Launch of Community Quota Group Pilots

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Q & A BRIEFING

What are the objectives of the pilot community quota groups?

The pilots will aim to test:

- The appetite amongst local fishermen to work together in a formal group;
- The appropriate scale to ensure the necessary critical mass for effective management;
- The effectiveness of such models in improving profitability through more tailored quota management and marketing initiatives;
- The availability of expertise in quota management and marketing at local level;
- The levels of quota required to ensure the groups are viable, versus the amount of quota available to distribute to the groups;
- How effective the Liaison Officer role is in establishing collective action;
- The costs of establishing pilots and for individuals to comply with principles/accountability frameworks put in place;
- Cost and benefits of operating under regional/community based systems compared to current, centrally managed, quota pool arrangements;
- The relationship between pilots and Producer Organisations, to test the level of cross-industry working.

How have you decided which of the pilot groups to go ahead with?

Following the publication of our summary of responses to the consultation, we received expressions of interest from 226 fishermen interested in forming pilot groups, divided into around 18 groups of fishermen from a number of different areas around the coast. We had to reduce this to a more manageable number as we do not have the resource to support that number of pilots, and so it was necessary to make some difficult decisions about which of the pilot groups we would take further to undergo more detailed analysis.

We based the decision on the average amount of quota that would be allocated to each vessel in a group, based on the track records of Registered Buyers and Sellers data that the Marine Management Organisation hold for the vessels in each group. We have also considered the size and location of the groups in making our selection to enable us to test the impact of different size groups on different points on the coast. Using this information, we narrowed the selection for pilots to six groups and associated number of vessels as follows:

North East

Hartlepool - 9

Scarborough - 5

East

Lowestoft - 12

West Mersea - 10

South East

Ramsgate – 13 (2 vessels also down to be in South Coast group. Vessels owners will need to decide to be part of South Coast or Ramsgate and allocations will be changed according to their decision)

South Coast (Hastings, Rye, Dungeness and Eastbourne) – 40 (see note above)

What function will Coastal Liaison Officers play in the setting up and running of pilot groups?

We have recruited three Coastal Liaison Officers (CLOs) to help with the set up and running of the pilot schemes. They will be engaging with the pilot groups, with support from the Domestic Fisheries Reform Team, and will offer pilot groups any support necessary to get them established in time to take on quota management responsibilities and throughout the duration of the project. The CLO will be able to research marketing and funding opportunities and would be able to facilitate quota swaps and leasing on behalf of their groups. Overall, their job will be dictated by the groups that they have been employed to support - offering functions that the group requires. The CLOs will be based in three areas and will support two pilot groups each (depending on the group's agreement to take part) as follows:

- Andy Gallant – Lowestoft and West Mersea (based in Lowestoft)
- Jeremy Schofield – South Coast and Ramsgate (location to be decided- pro tem based in Nobel House)
- Carri Nicholson – Scarborough and Hartlepool (based in Newcastle)

How have you allocated foundation quota to the groups? How was foundation quota obtained for the groups?

In the summary of responses to the consultation we confirmed that, to supplement the quota for pilot groups, we would first seek additional quota through agreement with POs or, where this was not possible, by taking a “topslice” of quota for those species relevant to the under- 10m fleet with increasing Total Allowable Catches (TACs) in 2012. This approach was designed to minimise the impact on POs but has also limited the number of stocks we can target for a “topslice”. The initial basis of the quota allocated to the pilot groups is based on their relative share of the under-10m pool caught by members of the pilot group during the reference period 2007-10. This has then been supplemented with a “topslice” of quota for those stocks with increasing TACs in 2012 and for which one or more of the groups had targeted during the reference period. These were:

- Sole 7d
- Plaice 7de
- North Sea Sole
- North Sea Whiting
- North Sea Haddock
- Whiting 7b-k
- Haddock 7b-k

This quota has been distributed evenly amongst all groups, based on the number of vessels in each group. This will ensure the maximum benefit to those vessels taking part in the pilot scheme, whilst minimising the negative impacts on POs. By taking an approximate 3% “topslice”, the amount of quota would most closely represent levels of quota that we might take from the Sector based on the methodology set out in the consultation, should we decide to roll out this model across the entire under-10m fleet.

Will the allocation give pilot groups only the stocks for which they have track record, or will some uncaught stocks be available for trading?

We have allocated the “topslice” of quota species to all pilot groups. We have done this to provide an equal benefit to all pilot groups, and the allocation is based on the number of vessels in each group. This will ensure that all pilot groups will have equal benefits from the “topslice”

and sufficient quota to enable them to swap it for stocks which they wish to focus on, even if those species were not ones that they had previously caught. The groups may also have small quantities of stocks which they do not usually target but which one or more of the licences had a track record of catching.

What rules will the pilot groups have to adhere to?

Since the MMO is responsible for ensuring that the UK remains within its quotas, the groups will be required to demonstrate to them that they have a management system in place to monitor and manage landings against the quota, in line with an Accountability Framework. This framework will include details of the MMO's requirements, including details on the production of an operational programme, which will need to be submitted to the MMO. The MMO will send the accountability framework to participating groups shortly along with details of what will be required of each group in order to obtain recognition for the pilot scheme.

What are you doing to benefit those fishermen not able to take part in the pilot groups?

The MMO will continue to administer the under-10m pool and those not participating in the pilots will be able to continue to fish against it. We are supplementing the pool with quota which has been consistently not used by the over-10m sector and which we will move into the under-10m pool. This will be for the following stocks:

- 7d sole
- 7a plaice
- 7d cod
- 7b-k whiting
- 7 pollack
- NS nephrops
- NS lemon sole and witches
- 7ef herring

We aim to make this transfer permanent in the future, by moving the associated Fixed Quota Allocations (FQAs) from the Sector to the under-10m pool from next year.

Will the re-alignment of under-utilised quota include that which has been consistently leased out to the under-10m pool by POs?

No. The analysis of consistently under-utilised quota does not include quota that has been leased, rather it looks at quota that remains entirely un-used (e.g. un-fished and un-traded) at the end of the year. The future role of leasing is something that we will be exploring for the final reform package.

Will pilot groups get more quota than those under-10m vessels left in the under 10m pool?

We cannot say whether fishermen participating in the pilots will ultimately have access to more quota than those remaining in the under 10 metre pool, as this will depend on a number of factors, including how the pilot groups manage their quota and what monthly catch limits are set for the under 10 metre pool, which we cannot predict. Fishermen invited to participate in the pilots will have to make a decision on whether they think it would be of benefit to them.

It is not fair that participants in the pilot projects will be allocated additional quota at the expense of those remaining in the under-10m pool.

The pilots are a means to test alternative management approaches. Any additional quota secured, will be allocated to the pilots on a temporary basis. The outputs of the pilots will help inform any final reform package.

All under 10 fishermen will benefit from quota which has been consistently unused by the POs and is being moved into the under 10 metre pool.

What benefits are there to being involved with a pilot group, compared to staying in the under-10m pool?

There will be a number of benefits for those fishermen who join these groups. By having the allocation of quota guaranteed at the beginning of the year, fishermen in the pilots will have the flexibility to be able to catch their full allocation of quota when it would be most suitable for them, rather than being constrained by the monthly catch limits that are set centrally for the entire under 10m pool. They will therefore be able to catch fish when market prices are better and reduce operating costs. This will offer a level of certainty for those fishermen in pilot groups, which is not offered through the under-10m pool monthly allocations. They will also have access to the support of a Coastal Liaison Officer and there will be assistance with marketing and representation in discussions with Government, regulators and other parts of industry.

How will I know my voice will be heard when the pilot group considers how best to meet the MMO accountability framework?

Each pilot group is responsible for developing its own set of rules to which members will be required to sign-up. It will be for individuals to work with the other members of the group to ensure that they have a say in how these are developed.

What if the biggest or most efficient boats catch all of the quota allocated to a pilot group?

The groups will be responsible for monitoring and managing the catches of member vessels and making this information available to the MMO. They will be required to produce a constitution and rules for their members and establish their own internal disciplinary procedures for vessels that infringe the rules. Where vessels fail to comply with the group's internal rules, the MMO will take action which could include suspension or expulsion from the pilot group.

Can participants in the pilot access non-quota species?

Yes, participating vessels can continue to catch and land non-quota species for which they hold a licence entitlement.

How will information from pilot groups be used?

The aim of the pilots is to enable us to gather more information on how alternative management systems will work, and use this information to form the basis for any future reforms. Pilots will play a critical role in our journey towards reform, but simply changing the management regime

is not the solution. The success of the pilots will be evaluated in terms of social, economic and environmental impacts at the end of the project.

Will there be an appeals process against the levels of quota allocated to each pilot group?

No. The schemes will receive a collective share of quota. This will include a share of the opening allocations for the under-10m pool based on the track records of those participating, plus an additional top up of quota from POs. Once the groups have been established it will be down to them to decide how the quota is managed and shared amongst the vessels.

Will participants in the pilot still be able to benefit from swaps into the under-10m pool after the opening allocations of quota?

No. Once the allocations have been made to each of the pilot groups, there will be no further provision of quota from the under-10m pool. The groups will be responsible for negotiating their own swaps.

Will I still be able to lease quota if I participate in a pilot?

A pilot group will be able to lease in quota for the benefit of its members. Individual vessels will not be allowed to lease whilst part of the pilot. It will be up to the group to agree how to manage leased quota and whether it is to be shared or caught by one vessel. Any quota leased by individual participant vessels during the period 1 January 2012 to 31 March 2012 will be added to the quota pool allocated to the relevant group. The pilot groups will be subject to the 2012 quota leasing rules on the same basis as individuals are. However, individual vessel caps will be dealt with on a pool basis, so that for any particular stock a group would be limited to leasing the amount of quota an individual vessel is permitted to lease, multiplied by the number of vessels in the pilot group.

Who in the group would be responsible for arranging leases for their members?

The groups would need to provide the MMO with a nominated contact point for leasing issues.

Why is the leasing of quota to vessels in the under-10m pool allowed?

The Government implemented the policy of quota leasing as a temporary measure whilst the management of the inshore fishing fleet is under reform. We understand that there are mixed feelings towards the leasing of quota, however it is also understood that some fishermen appreciate the flexibility that leasing offers them in securing additional fishing opportunities. The long term role of leasing will be looked at as part of wider domestic fisheries reform.

At certain times of the year, I relocate to another fishery and fish against the under-10m pool. Will I still be able to do this if I participate in a pilot?

Vessels participating in a pilot will not also be able to fish against the under-10m pool. Leasing will provide a mechanism to provide for such diversification. Furthermore, if this diversification has been a regular occurrence during the reference period, this will be reflected in the track records used to determine the group's allocation in the first instance.

I have a capped licence and applied to be in a pilot group but have been turned down. Why?

We have taken a decision to exclude vessels with capped under 10 metre licences from the pilots. The capping exercise was designed to limit capacity in the under 10 metre fleet. Given the existing pressures on the fleet's allocation for quota stocks, which we are trying to address, we do not consider that it is useful to include these vessels in the pilots, which are exploring an alternative approach to the management of quota stocks.

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