

Department for Environment, Food and Rural Affairs

The review of the fishing licensing scheme in England

Summary of responses

March 2015

Contents

Introduction	1
Overview of responses	2
Summary of responses to consultation questions.....	3
Licence validity periods	3
Merging licence categories.....	4
Lifetime of entitlements	5
Capacity penalties	5
Minor mismatch rules	6
Comments on the overall package of measures	7
Government response	8
Basis for the review and the proposed changes to licence documents (Option 1 or Option 2)	8
Changes to the current licence categories.....	8
Removal of the lifetime of entitlements	9
Removal of capacity penalties	9
Removal of the minor mismatch rule	9
The proposed amendments to the English licensing scheme.....	10
Way forward.....	10
Annex A: List of respondents	11

Introduction

EU legislation requires that all commercial fishing vessels must hold a valid fishing licence and authorisation. Detailed rules about the way these licences are managed are left to Member States. In England the licensing regime is subject to occasional review to ensure that it remains fit for purpose and places the least possible burdens on both industry and Government. The opportunity is also being taken in the current review to consider the impact of the recent reforms to the Common Fisheries Policy.

An initial discussion with the Marine Management Organisation(MMO) and industry representatives identified several outdated requirements and conditions that place unnecessary burdens on the industry, which we proposed to remove/amend as below:

- a) Remove the need to renew the licence document;
- b) Merge licence categories A, B and C;
- c) Remove the deadline for lifetime of entitlements;
- d) Remove capacity penalties; and
- e) Remove the minor mismatch rules.

It is anticipated that introducing these reforms will lead to reduced cost for the English fleet and will provide government with a more efficient and cost effective means of managing the process. There will be ongoing benefits as they remove unnecessary burdens and simplify the licensing procedure. The most significant financial benefit to the fishing industry will come from removing capacity penalties.

The government consulted on these proposals for six weeks between 15 October 2014 and 26 November 2014. This document summarises the consultation responses received and sets out the government response.

Overview of responses

A total of 28 responses were received from a range of sectors including the fishing industry.

Figure 1 provides an outline of respondents by sector.

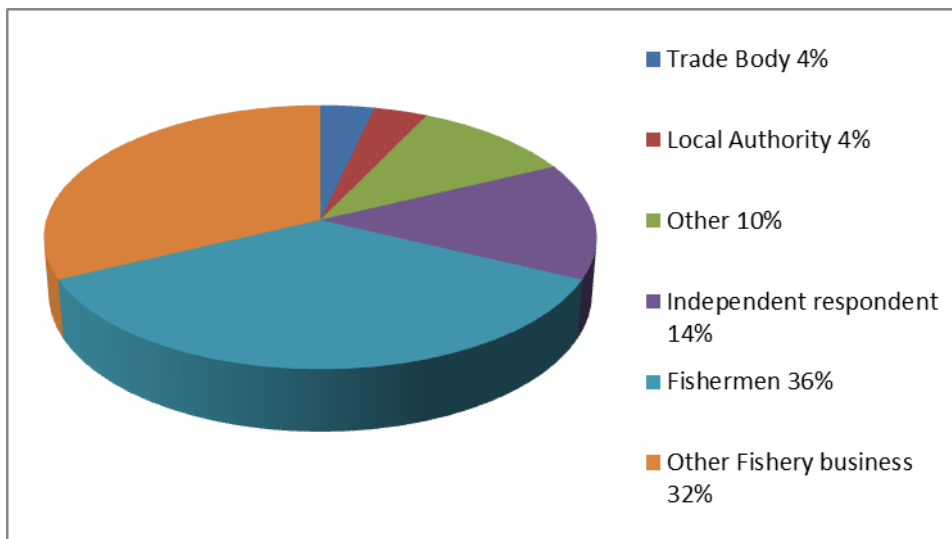


Figure 1: Analysis of respondents to the consultation by stakeholder segment.

The majority of respondents broadly agreed with the proposed measures to update the licensing rules. A detailed summary of responses to the individual proposals follows.

The devolved administrations of Scotland, Wales and Northern Ireland are reviewing vessel licensing separately and we are working closely together to reduce difficulties which may be caused by differing rules.

Summary of responses to consultation questions

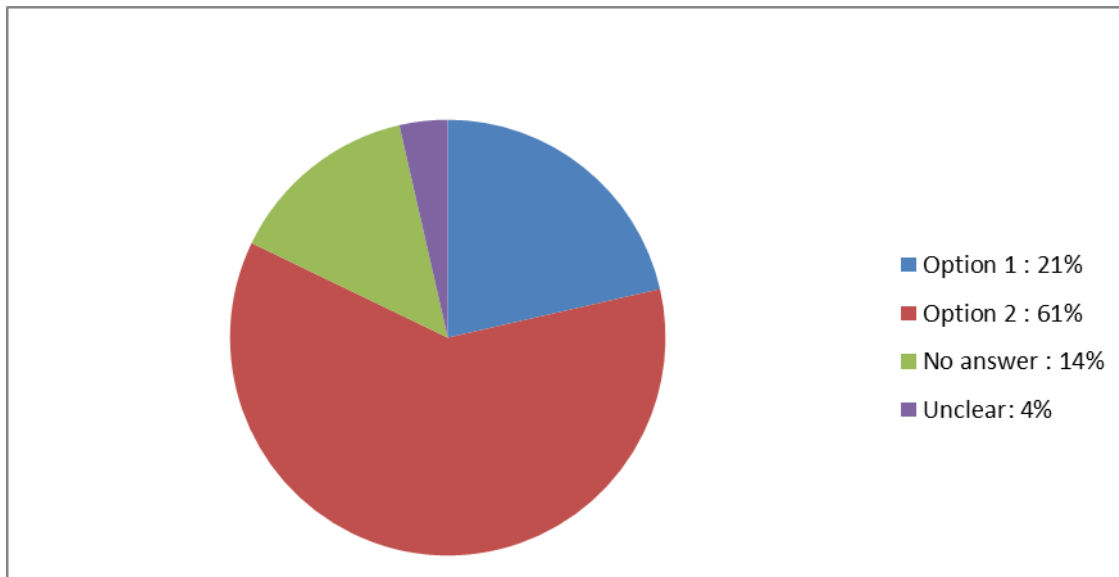
Licence validity periods

Option 1: Extend the lifetime of fishing vessel licences from 2 to 5 years

Option 2: Make licences valid indefinitely

Q1. Do you think that option 1 or option 2 would provide most benefit to the English fishing industry?

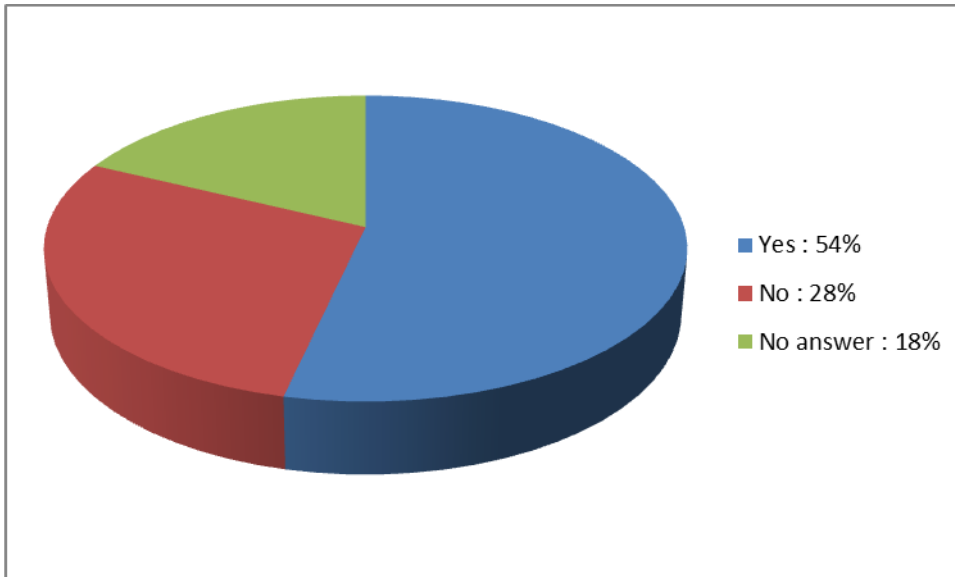
Q2- Do you have any other comments on the proposed changes to licence documents?



The majority of respondents (61%) from across the sectors agreed that Option 2 would provide the most benefit to the English fishing industry. although there was some support for maintaining some form of validity period. Those in favour of indefinite validity did not offer additional comments. Of those in support of extended validity periods, comments included references to the opportunity to update unspecified data within the licence, and the chance that would be offered to consult Natural England on the environmental aspects of fishing operations. One respondent highlighted concerns that different rules would apply in the various parts of the UK.

Merging licence categories

Q3. Do you agree with the proposed changes to the current licence categories?



There was broad support for the merging of licence categories. Respondents in favour tended not to provide detailed additional comments.

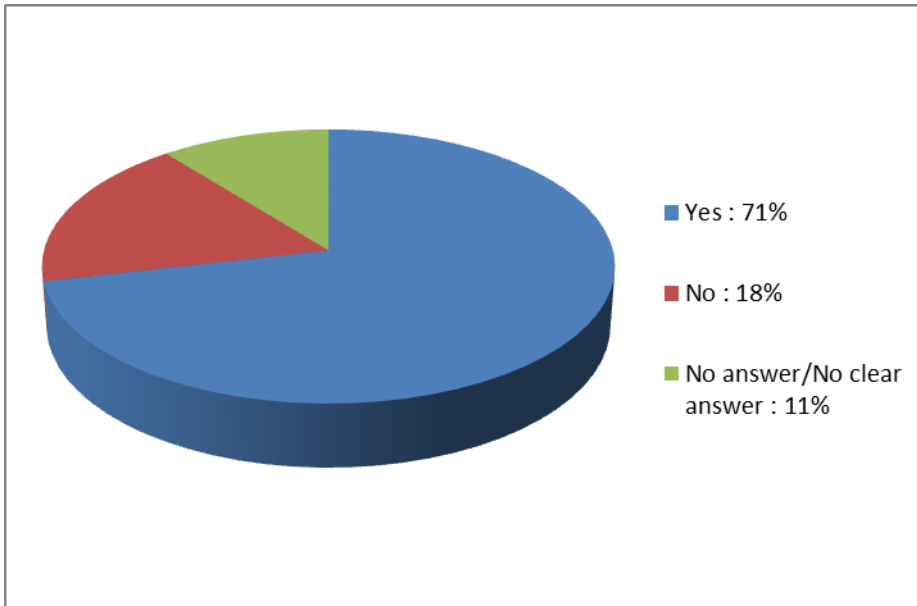
Of those opposing the proposal one respondent raised concerns over the higher prices that have historically been paid for Category A licences, and that the advantages that come with a Category A licence would be lost. The fishermen's organisation acknowledged that there is a need to alter the current licence categories to meet the landing obligation but it believes that all the consequences of such an alteration have not been taken into consideration. They asked about pressure on quota, especially in the non-sector where the majority of FQAs are held by a small minority of vessels (holding category A licences) and felt the quota will have to come out of existing allocations (either actual or potential). Others agreed that the current licensing structure may pose a challenge under the landing obligation.

A fisherman, while broadly in favour of these proposals, was worried about the immediate increase in pressure on quota species by previously restricted licences.

Another respondent felt that a harmonised licence regime with a single licence for over 10m whitefish and pelagic vessels and a similar licence category for under 10m vessels (with each licence endorsed with existing entitlements e.g. shellfish entitlement) is appropriate.

Lifetime of entitlements

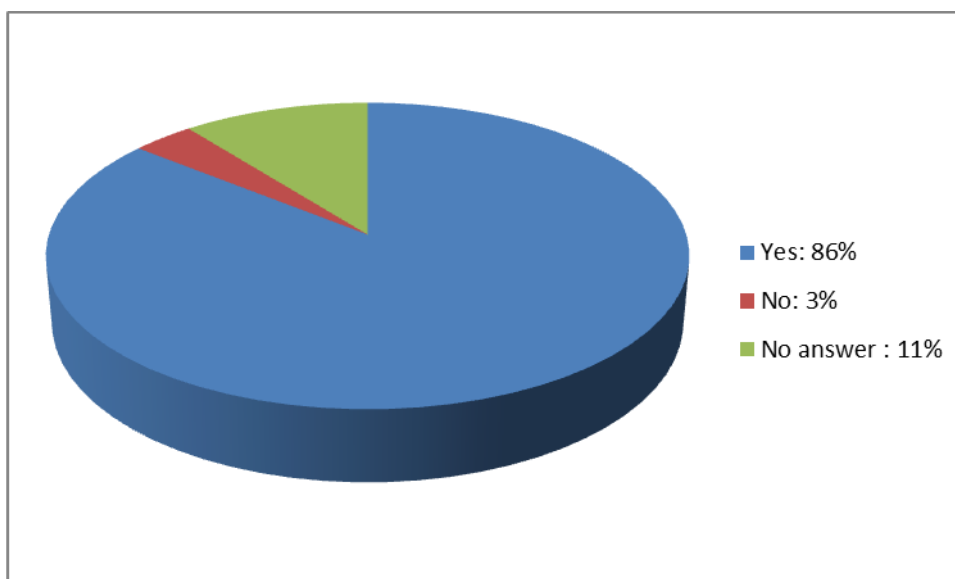
Q4. Do you agree with the proposed removal of the lifetime of entitlements?



A clear majority of respondents favoured the removal of limits on the lifetime of licence entitlements. One respondent who disagreed with the proposal expressed concern that under our proposals, latent effort will not be addressed.

Capacity penalties

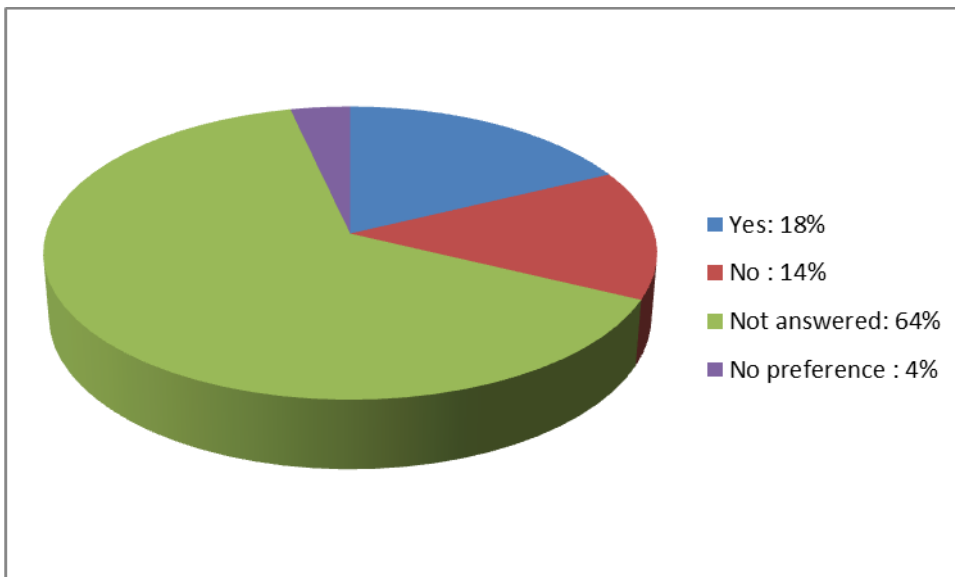
Q5 Do you agree with the proposal to remove capacity penalties?



There was overwhelming support for the proposal to abolish capacity penalties. The fishermen's organisation was in favour of the proposal to remove capacity penalties, although it queried whether the Impact Assessment accurately assessed the value of licences as it did not differentiate between kW and tonnage. Another respondent was unclear as to the latent capacity that has been removed from the English fleet, and the effect that the proposed change would have in the future.

Minor mismatch rules

Q.6 Do you have any comments on the proposed removal of the minor mismatch rule?

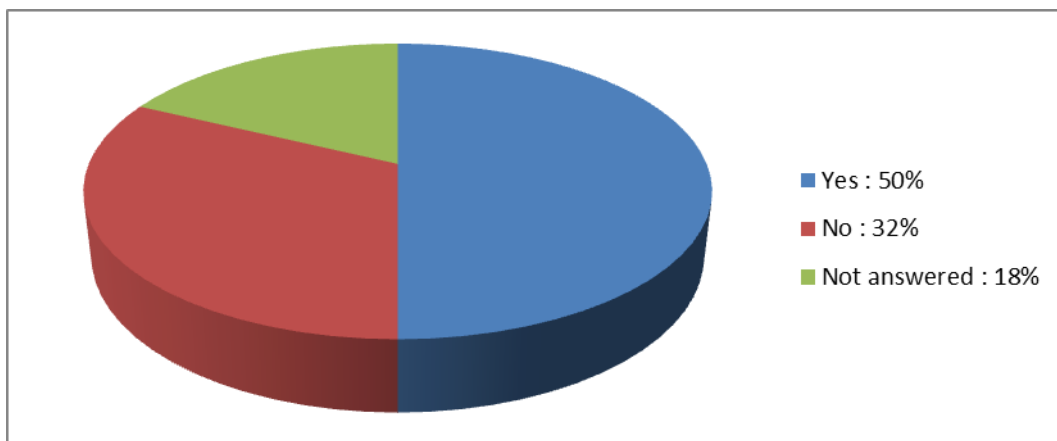


The proposed removal of the minor mis-match rule attracted relatively little comment, with two thirds of those who responded to the consultation not providing comments on this question. Of those who did comment, views were split 5:4 between those in favour and those against.

Two respondents raised their concerns that abolition of minor mis-match rules would require them to find licences or entitlements that match exactly their new vessel. The fishermen's organisation agreed with the removal of the mismatch ban.

Comments on the overall package of measures

Q.7 Do you agree that the proposed amendments to the English licensing scheme would be a benefit?



This question addressed the overall package of measure proposed in the consultation. Two thirds of those who answered this question supported the package.

Most of the responses in favour tended not to provide additional comments.

One respondent thought small inshore vessels require flexibility to target stocks, one fisherman thought removal of capacity penalties and the indefinite renewal of licence a good proposal but thought the removal of lifetime of entitlements rule would reduce capacity as people would sit on these. They were unclear on how a new vessel would find a correct entitlement without a mismatch rule. Another fishing business thought the amalgamation of all licences will alter the profile of the English fleet putting additional pressure on modes of fishing and stocks previously unavailable to licence holders. Another thought Category A holders should be compensated for their loss as category B and C licence holders will benefit. Another response was that the amalgamation of the three categories will be a benefit to the UK government so that it is able to implement the discard ban but will have negative effect on the industry. Another wanted the English system to be identical to that adopted in Scotland.

Government response

The government welcomes the views of respondents on the details of the review of the fishing licensing system. We would like to thank all respondents for taking the time to respond to this consultation.

Basis for the review and the proposed changes to licence documents (Option 1 or Option 2)

The majority agreed that our proposal to change the validity of the licences indefinitely would provide the most benefit to the English Industry. We note the suggestion made to extend the validity of the licence from 5 to 10 years but we believe it would be unnecessarily burdensome to the industry and the MMO. We will now initiate changes to the licence system to make fishing vessel licences valid indefinitely.

Changes to the current licence categories

Most of the comments received on the proposed changes to the current licence categories were in favour of merging the categories. At present, licence categories determine what species are in general allowed to be landed. One comment received was that it is clear that the reason for these proposed changes was to ensure the compatibility of UK licences with the forthcoming discard ban and that new licences will still give the owner the same 'value differential' as before but it still remained that they would have paid more to start with. Another wondered if the capped licences would be uncapped. The discard ban is being introduced incrementally from 2015 and will be fully in place, for all quota species by January 2019. All catches of quota stocks will require to be landed and counted against the relevant quota. Changes to the existing licensing structure are therefore required.

The majority of respondents were in favour of this proposal and accepted that a change in the existing structure was required to account for the discard ban. In future all fishermen will have to land all quota species that they catch and they will have to find the quota to cover it. We therefore propose now to implement the changes proposed in the consultation and move to a single licence category for over 10 metre vessels and another for vessels of 10 metres and under. Any under 10 metre licence that has been capped will remain capped. Where current licences hold additional permissions (for example shellfish permits) these will be carried forward onto the new licence.

Removal of the lifetime of entitlements

The majority agreed with our proposal to remove the lifetime of entitlements.

Only two of the respondents commented; one thought latent effort is a significant problem in commercial fisheries and disagreed with the removal of the five year time limit. The other thought it would have been useful to extend the deadline to 25 or 30 years although was not entirely opposed to the proposal.

The existence of lifetimes for entitlements no longer serves any useful purpose and places an unnecessary burden on entitlement holders, who must apply to extend their entitlements every five years. The Government will therefore remove the deadline for using entitlements.

Removal of capacity penalties

The vast majority of respondents were supportive of the removal of capacity penalties, which will result in financial benefits to business. At present, new vessel owners are required to spend more on licence entitlements in order to compensate for the required penalties on tonnage and engine power. These penalties were put in place originally to ensure the fleet capacity did not breach the ceiling set by the EU. We now consider that this objective has been achieved and propose to remove this burden as set out in the consultation document. One fishermen's organisation queried the figures quoted in the Impact Assessment on the value of the fishing licence. However, due to the informal nature of the buying and selling of licences we were not able to put a definitive open market value on licences. As already noted in the Impact Assessment, we recognised the limitation of getting an accurate valuation of a licence. We examined some websites which had some details of licences for sale for over and under 10m vessels but unfortunately these did not have sufficient figures for us to make a reliable estimation. For the purpose of this exercise we estimated the cost of capacity penalties based on information provided by fishermen to a Seafish questionnaire that was undertaken as part of the EU Data Collection Framework. We do not propose to amend the IA.

The government will remove capacity penalties from the licensing system.

Removal of the minor mismatch rule

With the removal of capacity penalties it will be easier for the correct licence(s) to be found and utilised. This will largely remove the need for the minor mismatch rule which has been open to abuse in the past and we will now remove this rule.

The proposed amendments to the English licensing scheme

The majority of the respondents were in favour of most of the amendments to the English licensing scheme. We will now implement all of the changes on which we consulted.

The MMO will issue further communications about the implementation of these changes. A number of these measures will require administrative adjustments prior to implementation but the MMO will take steps to ensure that licensees and others are not prejudiced by any delay while the adjustments are made, for example in relation to the application of capacity penalties.

Way forward

The government will consider the timing of the changes with respect to the amalgamation of licence categories to ensure that this is in line with the introduction of landing obligation. Other changes will be introduced as soon as practically possible. The government will give all licence holders notice of the changes before they come into force.

Annex A: List of respondents

Individual respondents – 23

Local Authority – Wirral Council

Other – Trinity House, Natural England, Isle of Man.

Trade Body – NFFO



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