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To: Secretary of State

From Tamara Finkelstein CB
Permanent Secretary

Pollack compensation scheme

Dear Secretary of State,

I am writing following your response to our advice on a pollack compensation scheme.

Following the decline, year on year, of the pollack stock in the South West, the International Council for the Exploration of the Sea (ICES) issued, in June, its zero Total Allowable Catch (TAC) advice for pollack in 2024 to allow the stock to recover to an economically sustainable condition. We have provided you with advice to demonstrate how we have followed established process and engaged with the industry extensively since the ICES advice was published.

A fishing business which is largely or wholly dependent upon catching one stock will also be aware that how much they can catch depends upon annually provided independent scientific advice and that the scientific data regarding the health of that stock has shown a clear downwards trajectory over the past 37 years.

However, recognising there may be fishers who have not taken steps to diversify, we have announced two measures which offer support to the most affected pollack fishers. Firstly, we have expedited Fisheries and Seafood Scheme (FaSS) applications for the under-10 metre handline pollack fishers to make it easier for them to diversify. Secondly, we have developed a scientific study, led by Cefas, that aims to improve the evidence base on the biological pollack stock whereby participating under-10 metre handline fishers would be paid for initial training and for participating in the study.

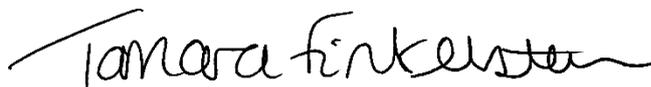
You have requested that in addition to this support, a compensation scheme be made available to fishers in the South-West who were economically dependent on targeting pollack in 2023 (over 30% of their income).

In line with my personal responsibilities as Principal Accounting Officer, I have considered the proposal against the technical criteria as set out by HMT in *Managing Public Money* and *The Green Book*. The required appraisal process concludes that this would not meet the requirements of the Accounting Officer test for Value for Money, even after taking in to account the specific circumstances in the South-West.

Previous compensation schemes for the fishing industry were to prevent a sector wide collapse at a time when that sector had limited opportunities to diversify. But in this instance many fishers will have alternative income streams available, including publicly funded benefits payments, or the ability to diversify, enabling them to remain in business. It might also be repercussive and set an unhelpful precedent for industry expectations for additional compensation schemes, thereby opening the department up to unknown future claims for the next zero TAC stock/s.

I understand you may take the view that there are circumstances that override the formal assessment. They might include placing greater weight on the specific economic circumstances of the sector and the communities that depend on it in the area concerned. If that view is that we should proceed with this compensation scheme, I will proceed accordingly but require your written direction to do so.

In line with the usual process for ministerial directions, I am copying this letter to the Comptroller and Auditor General, the clerk to the Public Accounts Committee and the Treasury Officer of Accounts. I am also copying it to the Environment, Food and Rural Affairs Committee.



TAMARA FINKELSTEIN
Permanent Secretary