



Consultation on the Allocation of Additional Quota for 2021 – Outcome Report

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SECTION 1 – EXECUTIVE SUMMARY

This document provides an analysis of responses and outcome to the ‘Consultation on the allocation of Additional Quota for 2021’. A copy of the consultation can be found at: [Fish - additional quota allocation 2021: consultation - Scottish Government - Citizen Space](#).

The consultation sought views on how Additional Quota apportioned to Scotland should be allocated in 2021.

Summary of responses

There were 69 responses to the consultation. The responses represented a range of stakeholders: those whose living is dependent on fishing, environmental groups, fishermen’s organisations, businesses associated with the industry and interested individuals. A range of viewpoints were returned on each of the questions in the consultation document.

Outcome

Following consideration of responses to the consultation, objectives for the use of quota, criteria set out in the UK Fisheries Act 2020 and other relevant factors (such as the outcome of the TCA and the fact we are nearly a quarter of the way through the quota year), the Scottish Government for 2021 will:

- Allocate the greater share of Additional Quota on the basis of historic track record for the reference period 2015-2019, to vessels active as of 1 January 2021.
- Allocate a portion of Additional Quota to the non-sector.

The allocation of Additional Quota, as outlined above, will deliver the fishing opportunity to the active industry, help to reduce business costs and allow for the diversification of fishing opportunity.

Further details are set out below and will follow in updated Scottish Quota Management Rules.

SECTION 2 – INTRODUCTION

This report summarises feedback to questions posed in the consultation, as well as supplementary feedback and provides Marine Scotland’s decision and next steps in relation to the allocation of Additional Quota for 2021.

The consultation opened on 17 December 2020 and closed on 15 January 2021.

Following the closure of the consultation, responses were analysed and considered, along with other available evidence to help inform our decision.

Policy background to the consultation

On 13 October 2020, the UK Government issued a consultation¹ on how Additional Quota secured by the UK in negotiations should be apportioned between the four UK Fisheries Administrations. The Scottish Government, along with the other UK Fisheries Administrations, has been working closely with DEFRA on that consultation.

Ahead of the UK’s departure from the EU, the Scottish Government issued its own consultation on the allocation of Additional Quota on 17 December 2020, to provide for the allocation of Additional Quota in 2021 – this document is the outcome of that consultation. The consultation document presented three alternate methods for allocating Scotland’s share of Additional Quota and sought views on these proposed allocation methods and also invited views on alternative methods for allocating quota to inform future thinking.

The Trade and Cooperation Agreement was agreed between the UK and the EU on 24 December 2020. As a result of that agreement the UK attained some Additional Quota, however, the level of Additional Quota is significantly lower than many had anticipated including for many of the key stocks fished by the Scottish industry.

As set out in the consultation document, the Scottish Government identified two potential sources of Additional Quota:

- (i) A change to the UK’s permanent share of quota. That is: the share of quota assigned to the UK as an independent Coastal State;
- (ii) Gains from transfers of quota to the UK from other Coastal States (for example, transfers of quota from other Coastal States for access to UK waters). Transfers arising through yearly negotiations, which are not permanent and may fluctuate from year to year.

At the point of writing, all of the UK’s Additional Quota comes as a result of (i) (a change in the UK’s share of quota) above. It had been anticipated that there would be gains from transfers of quota from other Coastal States but (at this point) none have been achieved.

¹ <https://consult.defra.gov.uk/fisheries/apportioning-additional-quota-between-the-uk-admin/>

The delayed outcome to this consultation comes as consequence of the late signing of the TCA and the slow process of working to achieve bi-lateral agreements with other Coastal States, all of which have contributed to the delay in UK Fisheries Administrations agreeing the apportionment of Additional Quota between the different UK Fisheries Administrations.

Respondents to the consultation

There were 69 responses to the consultation. These consisted of 40 private individuals (58%) and 29 organisations (42%). Organisations which responded included: fishing associations, environmental/conservation organisations, sectoral groups and fishing businesses. A full list of organisations that responded can be found in Annex A.

The responses demonstrated expertise, practical knowledge and deep conviction about the management of Scotland's fishing opportunities and we thank all of those who took the time to provide a response, particularly in light of the short nature of the consultation and the high degree of uncertainty in the subject area.

Format of responses to the consultation document

In the consultation document we sought views on each of the proposals rather than closed yes/no responses. This encouraged many to provide a reasoning for their response, to allow us to better understand considerations. However, often respondents chose not to provide views other than to indicate support or opposition. Or provided responses which did not indicate support or opposition to the question posed.

Some respondents chose to submit a response in the form of a letter as opposed to responses to individual questions. It should also be noted that in many instances respondents chose not to permit their name and/or response to be published.

Format of this outcome report

In this report, we explore responses to each of the questions posed in the consultation document. Themes in support of and in opposition to each proposal, are explored, with particular emphasis placed on recurrent themes in responses.

The consultation sought views on three different options for allocating Additional Quota and for two of these options, asked associated, supplementary questions. In this outcome report for each of the methodologies we:

- (1) Explore supporting and then opposing themes in relation to the method of allocation,
- (2) Explore supportive and opposing themes in any supplementary questions
- (3) Present a summary of views.

We then explore responses to question 8; a stand-alone question which sought views on alternative arrangements to those proposed in the consultation to inform future thinking.

Having considered each question, in our Outcome and Next Steps section we set out Marine Scotland's response and details of how Additional Quota will be allocated.

For each of the questions posed we have sought to begin by presenting a high level overview of responses. Here we set out: the number of responses, attempt to quantify the number of responses that were broadly supportive; broadly opposed or set out responses that did not fit clearly into either category and then to highlight some of the groups which expressed supportive and then opposing views in relation to the question.

In exploring views in responses to the consultation, we have sought to use complete, or partial, extracts from responses. It is important to note that quotes may be extracts and additional points/comments may be made in responses. Where an extract, as opposed to a full answer, we have sought to indicate this. We have used quotes in order to illustrate themes present in responses.

Definitions

“Existing Quota” means the share of quota received by the UK under the Common Fisheries Policy's relative stability key, plus quota regularly gained due to invocation of Hague Preference.

“Additional Quota” means the extra quota the UK secures as an independent Coastal State. It is defined as anything above the UK's existing share of quota.

Guiding Principles

In our consultation document we set out our aims for the allocation of Additional Quota for 2021. In allocating Additional Quota we aim to:

- Be consistent with Marine Scotland's developing future fisheries policy and developing Blue Economy Action Plan.
- Support the active fishing fleet and help reduce their business costs.
- Help businesses with diversification of fishing operations through access to new fishing opportunities.

In line with the UK Fisheries Act 2020, Additional Quota will be distributed based on criteria that:

- Are transparent and objective; and
- Include criteria relating to environmental, social and economic factors.

SECTION 3 – ANALYSIS OF RESPONSES

Option 1: Track Record (history of landings)

Summary of Proposal

The first option presented was allocation based on vessels' historic track record. The proposal provided that the share of Additional Quota a vessel would receive for any stock, would be based on the vessel's recorded landings of that stock during a specified period.

Basing the allocation of Additional Quota on the track record of vessels over a recent period would direct allocations to vessels which have targeted those quota species in the specified time period. This would take account of in-year quota adaptations, i.e. where vessel owners have acquired quota through trading with another owner (quota exchanges, direct leasing).

Allocating Additional Quota on the basis of the track record of active, Scottish-administered vessels has the potential to reduce costs for these active fishing businesses, as they would receive the Additional Quota directly, which would reduce the requirement to pay for quota from other businesses which do not make productive (i.e. catch) use of the quota. It would also take into consideration the capacity and capability of vessels to fish for the relevant species.

The use of a track record-based approach could, however, be viewed as not recognising those vessels which have been unable to access quota stocks in the past and were therefore unable to build a track record due to barriers, such as lease costs or other barriers.

Responses to question 1 – What are your views on the use of recent track record as a basis for allocating Additional Quota in 2021?

Overview of responses

- 65 responses expressed some view on the use of historic track record as a basis for allocating quota.
- Of the 65 responses to this question:
 - Twenty one responses gave clear, or qualified, support in their responses that track record should be a basis for allocating Additional Quota in 2021.
 - Twenty nine responses expressed opposition to the use of track record as a basis, or the sole basis, for allocating Additional Quota.
 - Fifteen responses were unclear as to their position. Included in this category are responses which stated that this method was; potentially suitable for one sector but not another; expressed that reference periods were not appropriate but did not state support or opposition in their response to the question; or expressed views in relation to another option.
- Groups which offered supportive views included: Scottish Fishermen's Organisation and West of Scotland Fish Producers Organisation.

- Groups which offered views in opposition, or which expressed a preference for another mechanism, included: Scottish Inshore Fisheries Trust (SIFT), the Scottish Whitefish Producers Association and Scottish Wildlife Trust.

Analysis of Responses

Analysis of supportive themes

Two clear themes emerged in support of historic track record as a means for allocating Additional Quota. Firstly, that track record would target the active fishing industry - with vessels that have a proven record of having caught the stock directly allocated quota. Secondly, that allocating via this mechanism may help to reduce leasing costs associated with having to acquire fishing opportunities through trade of quota. These two themes were often associated in responses.

From a section of respondents, there was support for the use of historic track record for the demersal fleet, as opposed to the pelagic fleet. Other issues raised were that the use of track record for allocating fishing opportunities is an established one and that it may offset issues arising from the Landing Obligation.

These themes from responses shall now be explored in greater detail:

I. Targeting the active catching sector

A recurring theme in supportive responses was that the use of historic track record would benefit active fishers. Associated with this view were responses which stated that the use of track record would reflect the quantity of the species captured by these vessels (where quantity allocated for particular species would vary depending on previous quantity caught).

“For 2021 there are simplistic arguments for using FQA’s to allocate additional fish, (known/ease of allocation etc, one year only). However, this will only deliver quota to current FQA holders, not all of which are active... Therefore, OFPO are of the opinion that Track Record should be the method utilised to allocate any extra quo...” [Orkney Fish Producers Organisation - Extract]

“Any additional quota should be allocated to working vessels. And by using the track record method any additional fish will go to the vessels who are catching the most of the different species.” [Bremner Fishing Company LTD]

II. Reduce leasing costs

Often very closely associated with I. (Targeting the catching sector), was the view that allocation based on track record would reduce costs to active fishing vessels. This is due to the fact that those fishers that wish to acquire more quota for which they have insufficient, or no, quota are often compelled to pay for the fishing opportunity, thereby reducing their profitability.

This theme of potentially reducing costs is present in the following quotes. To note, a ‘slipper skipper’ refers to an individual not directly involved in the capture of fish but

who has access to quota, which is then sold for commercial financial gain on an annual basis, engendering a rentier economy. Throughout many responses to the consultation, there was strong opposition to individuals, or businesses, not directly associated with the fishing industry being allocated Additional Quota – this was particularly evident from individual respondents.

“I would like to see some of the additional quota distributed on recent track record. I would also be in favour of some being top sliced to allow a new entrants scheme and also some given to the 10m and under sector. What I wouldn't like to see is additional quota based on FQA holdings. Slipper Skippers as I call them have to be eradicated somehow. [Individual Respondent]

“Industry is also looking to address the high leasing costs, this method should go some way to achieve that objective...” [NESFO Ltd - Extract]

III. Other issues raised

A number of respondents indicated that this option would or could be appropriate for the demersal sector but not the pelagic sector (a theme explored below). Several respondents stated that track record had been used previously for the allocation of fishing opportunities and therefore was well established and understood as a method of allocation. Also, referenced was that the use of track record may offset issues arising from the Landing Obligation.

Analysis of opposing themes

As with supportive themes, points raised in opposition to allocation via historic track record were often interlinked. The most prevalent view was that those without track record would see no benefit. A significant number also stated that the pelagic quota should not be allocated on the basis of track record. Other responses stated that the use of historic track record would not be consistent with government aims and criteria. Some individuals and organisations indicated concern that the use of track record would disadvantage those not able to develop a track record over the period (as a result of being unable to fish (due to vessel maintenance etc.) rather than not holding fishing opportunity); an alternative mechanism should be used; and that this method was too complex for 2021.

I. No benefit for those with no track record

A recurrent theme against an allocation on track record was that those fishers who were unable to develop a track record as a result of not holding fishing opportunity or very little fishing opportunity (especially inshore vessels) would see no benefit from this system.

In analysing consultation responses, it is important to be aware that it is *generally* the case that inshore vessels in Scotland target shellfish (including *Nephrops*). Whilst *Nephrops* are a quota species, other key shellfish stocks are not covered by a Total Allowable Catch, and therefore have no quota limits. As a result, the potential for

inshore vessels to achieve a track record for Additional Quota for stocks, other than Nephrops, has been limited.

It should also be noted that in analysing responses we have sought to distinguish between those vessels which have been limited in their capacity to develop a track record, because of limited access to sea fisheries quota (largely, but not only, non-sector vessels), and those vessels with fishing opportunity which have been limited in time at sea (due to vessel replacement; repairs to vessel etc.) This second group is dealt with in a following section below.

“SIFT believes that track record should not be used as a basis for allocating additional quota... Using track record to allocate quota fails to do so and merely extends the shortcomings of the existing quota allocation system. These shortcomings include the barrier it presents to new entrants, and the pressure it puts on less well capitalised fishers to target, and over exploit, non-quota stocks.” [Sustainable Inshore Fisheries Trust - Extract]

“I do not agree with allocating additional 2021 quota on track record. those with the most quota just now will end up with even more. The quota needs to find them that most need it the most and who can start to try new fisheries to make a living.” [Individual Response]

II. Pelagic sector should be treated separately

A number of responses stated that the pelagic sector should be treated separately in relation to the allocation of Additional Quota. Some respondents indicated that track record should or could be used for other fisheries sectors (cited was the demersal sector).

It was often stated that pelagic quota should be distributed evenly amongst existing participants. Various reasons were given (including the high number of vessels that had been replaced in the pelagic sector during the reference period). The Shetland Fishermen’s Producer Association advocated the allocation of pelagic quota equally between eligible vessels:

“...The use of recent track record would on the face of it appear to be the most relevant means of attributing this additional fishing opportunity to those groups representing the active fishing fleet.

However, in the case of the pelagic sector the SFPO would advocate an alternative view which would see the allocation of an equal share of any additional quota being gained apportioned to existing participants in the fishery on a per vessel basis, or on established licence criteria where any existing participant may be in the process of changing their vessel...” [Shetland Fishermen’s Producer Organisation - Extract]

III. Consistency with government objectives

Though inherent in many responses citing opposition to the use of track record, some respondents explicitly questioned whether it was consistent with the

government's aim for the utilisation of quota and/or consistent with the Fisheries Act. This was particularly the case in many responses from environmental organisations, as demonstrated by the answer below from Open Seas. However, the view that track record would not maximise environmental, social and economic returns was also present in responses from individuals and other organisations, though it may not have been expressly stated in these terms.

“With regards to using track record as a basis for allocating Additional Quota, we do not support this approach. We do not consider it to be a criteria which adequately incorporates environmental, social and economic factors and it therefore appears to be inconsistent with 25(1) and (3) of the UK Fisheries Act 2020.” *[Open Seas]*

“I do not agree with this as a basis for allocating additional quota because it makes the rich fishermen richer and restricts new entrants and growth/diversification within the industry” *[Individual Respondent]*

IV. Acquired new vessel recently / Limited opportunity to acquire track record

A number of responses were either opposed to the use of historic track record on the basis of having limited opportunity to develop a track record (those who had recently acquired a vessel or who had been unable to fish for a period of time). And therefore quota should be allocated via a different mechanism. This was particularly raised in relation to the pelagic sector but also raised by representatives of the wider industry.

Other issues raised included:

- Due to pressures (time constraint; outcome of TCA) other options may be preferable for 2021 (allocation based on FQA units).
- The complexities of the quota system where active fishers have had to trade away a fishing opportunity for another. Fishers would not be able to realise Additional Quota on quota swapped away.
- Additional Quota should be based on zonal attachment in line with the UK's approach in EU Exit negotiations.

Responses to question 2 – Do you think the track record period should be 2015-2019 (Marine Scotland's preferred option)?

Forty-eight respondents offered comments in relation to question 2. Of these responses:

- 13 stated their support for this period.
- 22 stated their opposition.
- 13 responded with comments that did not indicate a preference for, or against, the reference period but which set out alternate views. For example: that they were not supportive of track record; that alternate arrangements other than track record should be used and/or that this was their second preference of the three time periods offered.

Analysis of supportive responses

Where respondents offered a rationale in support of question 2, it was largely to state that the time period offered a reasonable time period on which to reflect vessel activity.

“We agree that the track record period should be 2015 - 2019 as it would better reflect recent fishing activity and would provide a buffer for vessels that had suffered major breakdowns for long periods during the reference period...” [Western Isles Fishermen’s Association - Extract]

“Having considered the three periods suggested, I would agree that the five year period would be the most appropriate period of time to allocate Additional Quota.” [Heather Fishing Co LTD.]

Analysis of opposing responses

Where respondents offered reasons for their opposition to the proposal several themes emerged:

1. That a more recent reference period should be utilised. With some calling for 2020 to be included in the calculation or that 2015 should not be include:

“No. We think it should include 2020 so that would be either 2016-2020 or 2018-2020 depending on whether a 3 year or 5 year reference period is preferred.

We believe that 2020 should not be excluded. It shows the most accurate activity. Yes we had Covid, but uptakes of main species are very high, showing a fully exploited fishery in main stocks.” [Peter & J Johnstone Ltd.]

2. That a longer track record period should be used to allow for activity over a longer reference period to be reflected

QUESTION 3 – Do you think the track record period should be 2017-2019?

Forty-six respondents offered some comments in relation to question 3. Of these responses:

- 9 stated support this this period.
- 25 stated their opposition.
- 12 responded with comments that did not indicate a preference for, or against, the reference period but which set out alternate views. For example, that they were not supportive of historic track record: that alternate arrangements, other than track record, should be used or that we should refer to another answers.

Analysis of supportive responses

Where respondents offered rationale for their support for the proposal, the clear reasoning was that it reflected the most recent trends in fishing activity.

“The SFPO would propose a track record based on the years 2017-2019, this being the time frame providing the clearest reflection of recent fishing trends and that which best reflects our quota needs for 2021.” [Shetland PO]

Analysis of opposing responses

Where opponents offered a view, the clear issue was that the time period was too short and would not take account of vessels being replaced or where vessels were inactive for a period

“The three year period was used back in 1999 (1994-1996) to allocate quota to FQA units.

It was found that quite a number of boats lost out due to breakdowns, or having sold their boat and waiting on a new build, and various other tie ups. So it was found that the three year period was not a fair reflection on many boats as it was too short a period.” [Heather Fishing Co LTD.]

Again it was stated that the year 2020 should be included in the reference period (in line with quote above in response to question 2).

QUESTION 4 – Do you think the track record period should be 2013-2019?

Forty-eight respondents offered some comments in relation to question 4. Of these responses:

- 9 stated support to this period.
- 22 stated their opposition.
- 17 responded with comments that did not indicate a preference for, or against, the reference period but which set out other views. For example, that they were not supportive of track record, that alternate arrangements, other than track record, should be used, that we should refer to another

Analysis of supportive responses

Where additional comments were provided, those advocating a longer time period stated that it would be fairer on those vessels which had not been able to fish for a period.

“Could possibly agree to this period. Would be fairer if vessels had long tie ups for repairs or for inactive periods for new builds etc.” [Individual Respondent]

Analysis of opposing responses

Where additional comments were provided, those opposed to this period stated that it would fail to take account of the significant changes within the fishing industry.

My view on having an eight year period is that it would throw up as many problems as a three year period would, with quite a number of vessel changes in this period. It is difficult to decide what period would reflect the fairest outcome, but I would opt for the five year period as being moderate and fairest. [Heather Fishing Company Ltd.]

No. It is too old in terms of relevance to current stakeholder fishing activity. [Peter & J Johnstone Ltd.]

Summary of views

In terms of popularity amongst respondents, the use of track record neither gained the popularity of allocation to the non-sector or the opposition of allocating via FQA units. A significant proportion of respondents did not fit well into either of these categories (for example, a number stated that this option should/could be used for demersal fisheries but was not suitable for the pelagic sector).

A key principle emerging from responses in support of the use of track record was that Additional Quota should be allocated to the active fishing industry as a whole and not individuals/businesses (who were seen as one step removed from the catching sector). This was often linked with a clear desire to reduce leasing costs for the catching sector (where active fishers exchange money to receive desired quota). In terms of the practical application of the system, comments were also made that this system of allocation was well established and understood by the fishing sector.

Those opposed to the use of track record recurrently stated that opportunities would be limited to a select group of vessels. In many instances this was linked to reduced potential for diversification, wider socio-economic benefit and reduced environmental impact, with questions over alignment with aims and criteria. In addition to this opposition on the basis of principle, there were issues raised about speed of use in 2021 and how vessels which had been replaced during the reference period would be dealt with.

For questions 2-4, which sought views on the track record period, similar numbers backed the three available options, though there was greater support for the proposed 5 year period. Proponents of the five year option felt it struck a balance between issues identified with the alternate periods - a seven year period would not take account of recent changes in industry; whilst the 3 year period would be too short and would be more impacted by a period of inactivity. There were some calls for 2020 to be included in the reference period to take account of the most recent period of activity.

Option 2: Allocating Additional Quota to Non-Sector Vessels

Summary of proposal

The second allocation option explored was the distribution of a portion of Additional Quota to non-sector vessels. Non-sector vessels are vessels which operate outside a Fish Producer Organisation or a Scottish Quota Management Group (so-called Sectoral Groups). They are (i) Scottish registered vessels in the 10 metre and under pool; and (ii) Scottish registered vessels in the over 10 metre pool. The vessels from these two pools primarily target shellfish though opportunities for some demersal and pelagic species are available too.

The consultation document set out that Marine Scotland could retain a proportion of the Additional Quota, for certain stocks, in 2021 and work with the fishing industry to allocate these fishing opportunities to non-sector vessels meeting certain criteria. The proposed criteria are:

- Capacity and capability to catch the quota in 2021.
- Availability of market for the catch of Additional Quota when landed.
- The allocation of Additional Quota to the non-sector vessel would incentivise good practice (for example a reduced environmental impact through method of capture (such as through the use of lines)).
- Ability for the non-sector vessel to diversify their fishery.

The consultation noted that the allocation of a relatively small amount of quota to the 10 metre and under sector helps to increase the number of fishers able to benefit from the fishing opportunities. However, it may be case that that vessels may not have the necessary equipment, knowledge or inclination to fish for alternative stocks

Responses to QUESTION 5 - What are your views on retaining a proportion of Additional Quota for allocation to non-sector vessels subject to the proposed criteria?

Overview of responses

- 67 responses expressed some view on retaining a proportion of Additional Quota for allocation to the non-sector.
- Groups which offered supportive views included: Western Isles Fishermen's Association; Scottish Inshore Fisheries Trust (SIFT); Blue Marine Foundation; The Scottish Wildlife Trust
- Groups which offered views in opposition included: Open Seas and Peter & J Johnstone Ltd.
- Of the 67 responses to this question:
 - Forty three gave clear or qualified support in their responses that Additional Quota should be allocated to the non-sector.
 - Twenty one responses expressed opposition to the allocation of Additional Quota to the non-sector.
 - Three responses did not fit clearly in either category. Included in these was one response which stated that all fishermen should be in an association; another which called to give all under 10 vessels the same allocation and a response that stated that all quota should be utilised.

Analysis of responses

Analysis of supportive themes

A number of factors in support of the allocation of Additional Quota to non-sector vessels were cited. Most prevalent were: that non-sector vessels should derive benefit from Additional Quota; that it would allow for the potential to diversify from traditional target stocks; and this would extend the economic benefit from Additional Quota. Other views stated that this was the preferred option of the three available and that allocation in this manner would retain a greater degree of government control over the fishing opportunity.

These themes from responses shall now be explored in greater detail:

I. Non-sector vessels should benefit

Historically, quota opportunities for the non-sector pools have been limited with few vessels holding (or permitted to hold in the case of the 10mu Pool) FQA units and no opportunity to lease quota. Many responses stated that non-sector vessels should see a benefit arising from Additional Quota and that an allocation by the other proposed methods would not provide this benefit. Many responses questioned the fairness of allocating via the other options consulted upon. This is demonstrated in the extract from the Community of Arran Seabed Trust response and an individual respondent:

“Many non-sector vessels are those that have been historically disadvantaged by the existing quota allocation system...” [Community of Arran Seabed Trust - Extract]

Non Sector vessels have as much right to the fish as so called sector vessels who got the quota by joining a PO. Non sector vessels should be able to fish profitably as well. [Individual Respondent]

II. Allow for diversification/reduce pressure on target stocks

A recurrent, supportive theme was that allocating quota to the non-sector would allow for diversification of opportunity for this fleet segment – the potential to fish for a greater range of stocks. This was often linked explicitly with taking pressure off shellfish stocks.

“... We agree that quota allocation to non-sector fleet would be beneficial, creating more equitable access in the fleet and encourage diversification towards more environmentally diverse, economic and sustainable fisheries...”[Blue Marine Foundation - Extract]

...Additional quota should be allocated to both non- sector and under 10 metre vessels as there are clear indications that many vessels that have been fishing exclusively for shellfish would diversify on a seasonal basis to catch white fish quota species using selective methods for local markets at high prices...[Western Isles Fishermen’s Association - Extract]

III. Allow for economic growth

Another theme, often linked to diversification of fishing opportunity, was the potential for economic benefit to be spread more widely via an allocation to the non-sector. This potential was cited in the response from The Scottish Wildlife Trust and Blue Marine Foundation and also the individual response below:

“In favour, helps local communities and might increase employment.”
[Individual Respondent]

IV. Preference for 2021 or relative to other options presented

A number of responses indicated that this option was supported on the basis that it was preferable to the other options available. It was clearly intimated, particularly by some supportive environmental groups, that alternate arrangements would be more desirable.

“This option offers opportunity for vessels 10 meters and under to diversify, which could reduce pressure on shellfish stocks and spread the economic benefits of fishing opportunities more widely... A more reliable way to ensure that the allocation of additional quota delivers social, economic and environmental benefits would be to allocate it based on specific environmental and social outcomes.” [The National Trust for Scotland]

V. Other views expressed in support

- That Additional Quota should be allocated to the non-sector as a means of retaining direct government control over quota.

Analysis of opposing themes

There was strong support for the principle of allocating Additional Quota to non-sector vessels. Support though was not universal and even those who did support the proposal cited concern in relation to the proposal as was set-out in the consultation document. The most prevalent issues raised were: the capacity for non-sector vessels to catch additional opportunities and the closely-related concern over the existence of market opportunities. Other key recurring themes were: insufficient quota arising from Brexit deal/only allocate where there is a surplus of fishing opportunity in the sector; that the non-sector has received preferential treatment relative to sectoral vessels and a need for further consultation. Further issues raised, but with less frequency, included: safety concerns; policy is inconsistent with Government criteria and the need for a further effort cap for the fishery.

I. Need for vessels to be able to catch fish

Many respondents cautioned that non-sector vessels may not have the catching capacity to make use of Additional Quota. A number of reasons were suggested for this: absence of species from inshore waters; vessels not equipped for targeting new opportunities and lack of experience. In some cases, respondents cited examples

where fishing opportunity allocated to the non-sector had not been utilised previously.

“We can only give a viewpoint from a pelagic perspective. There are already opportunities for under 10m to fish pelagic species but they have struggled in recent years. This is due to fish availability close to shore, seasonality and unpredictability of the fisheries.

Allocating additional quota to the non-sector vessels could be considered wasteful if the quota was not utilized.” [Sunbeam Fishing Ltd]

II. Must be market opportunities for additional quota

Another negative factor associated with allocating Additional Quota to the non-sector was the concern over the existence for new or additional market capacity to accommodate what may be new fisheries for this fleet segment. This view was frequently associated with point I. (need for vessels to be able to catch fish) above.

“In principle each sector of the industry should benefit from any additional quota acquired, but they should prove that they are in a position to catch the quota and also have a market to land for human consumption. Any additional quota made available to the catching sector should be utilised to its fullest extent.” [Individual Respondent]

“...Over provision of hook caught mackerel can and has led to marketing problems and in my opinion requires a fuller consultation and careful management.” [Individual Respondent - Extract]

III. Additional Quota should only be allocated to the non-sector where surplus exists in the sector/not enough Additional Quota

A number of negative responses, particularly from groups with a membership which includes sectoral vessels, remarked that the allocation of Additional Quota should be focused on sectoral vessels in the first instance. Several responses stated that Additional Quota opportunities arising from the Trade and Cooperation Agreement were limited and should be focused on those already targeting these species.

“...There has to be some acknowledgment that with regard to demersal fisheries the situation in which we now find ourselves bears no resemblance to what we thought could be delivered...It would be inherently unfair to remove quota from larger vessels that have significantly less opportunities in some species to try and facilitate diversification in another. We accept that this may not always be the case, or not currently the case in all sectors such as pelagic, or in single species such as North Sea sole, lemon sole, witch and western tusk.” [SWFPA AND MNWFA - Extract]

“Had the amounts of AQ been greater than it looks like at present, this could have been a consideration for some AQ tonnage. But the amounts involved are small and the existing Sector fleet is desperately short of fishing opportunities.” [Peter & J Johnstone Ltd.]

IV. Non-sector has been favoured

Some responses questioned the 'fairness' of allocating Additional Quota to non-sector vessels. Included in this category are responses which stated that; the non-sector has been favourably treated relative to sectoral vessels and; individuals who may have previously sold quota for profit should not benefit from access to Additional Quota in the non-sector. Issues over the 'fairness' of apportioning Additional Quota to the non-sector were raised particularly in responses from individual respondents opposed to allocation to this group of vessels.

"The non-sector vessels have received the largest share of additional quota over the years, having been in the industry as skipper / owner for 40 years i have received nothing additional." [Individual Respondent]

"These vessels have profited from being outside the system for many years and in some cases sold quota years ago but were able to remain fishing. They should be allocated on a track record basis with no favouritism given to them." [Individual Respondent]

Other noted issues included:

- Quota allocated to the non-sector and not utilised should be made available to sectoral vessels.
- A need for further consultation on the issue.
- Concerns that allocating to the non-sector was not in line with Government criteria for Additional Quota.
- Safety concerns, particularly concern about capacity for inshore vessels to safely handle species for which they are not experienced.
- Need to cap effort in the non-sector.

Analysis of Responses to question 6 – Which quota stocks would, in your view, be most suitable to be allocated to non-sector vessels through this method and why?

A variety of stocks were proposed for allocation to the non-sector. The following table lists stocks where allocation was proposed in more than three separate responses and the key reason given. It should be noted that reasoning does not include responses where diversification/removing pressure from other stocks was given as a factor.

Stock	No. of occurrences	Key Reasoning (if given)
Mackerel	26	Works for small vessels; able to use selective methods for high quality product; species found inshore; benefit to local communities; if caught by line there is a reduced environmental impact; hook and line fishery easily accessible to these vessels (in terms of re-gearing).
Cod	17	Can be caught by handline which has lower environmental impact; benefit to local communities; hook and line fishery easily accessible (in terms of re-gearing) to these vessels where the fish are present; presence in inshore waters.
Haddock	8	Presence in inshore waters.
Herring	7	Presence in inshore waters, a ring-net fishery required for 10mu sector.
Saithe/Coley	7	
Whiting	6	Presence in inshore waters.
Nephrops/prawns	6	Fleet traditionally targets nephrops
Monk	5	Presence in inshore waters, smaller vessels would be able to target
Lythe/Pollack	4	

Other issues raised

Some noteworthy points from responses to this section include:

- Other stocks raised included: ling; skates; blue fin tuna.
- Stocks which met the criteria listed should be allocated to the non-sector.
- There is a regional variation in the presence of stocks
- All species should be allocated to the non-sector.
- Opportunities should be allocated on the basis of scientific evidence/in conjunction with scientists and other stakeholders.
- Respondents proposed groups of species (shellfish, demersal or pelagic) without specifying species.
- That the market for handline mackerel could be negatively impacted by the allocation of Additional Quota.

Summary of views

The allocation of Additional Quota to the non-sector received the greatest degree of support of the three available options. There was a clear sense from supportive comments that allocating Additional Quota to the non-sector would enable a diversity of opportunity for inshore vessels and generate associated economic and social benefits. Many respondents also highlighted the potential environmental benefits through the use of fishing gear with a smaller environmental impact.

Those opposed or who expressed concern at the allocation of Additional Quota to the non-sector focused on whether non-sector vessels could catch additional opportunity for various reasons. This was often coupled with concerns over the existence of markets to accommodate the landings by this group. Many opposing responses also highlighted instances where government has made quota opportunities available to the non-sector but these have not been utilised.

In question six, we sought views on which stocks should be allocated to the non-sector. Most responses focused on those stocks for which there was already a demonstrable track record of catches and available market.

Option 3: Allocate via FQA units

Summary of proposal

The consultation's third option for allocation was to allocate based on shares of FQA unit holdings. As set out in the consultation document, Marine Scotland has stated its intention to allocate Additional Quota in a different way to the current system. However, we wished to hear views on potentially allocating in this manner for 2021.

Benefits to allocating Additional Quota via the FQA system for 2021 include that the system is well established, has allowed the industry to adapt over the past two decades and it would also reflect the investment made in FQA units.

Criticism of the FQA model is that it may not only benefit active fishers directly and the perceived imbalances of the current allocation system would persist. This method of allocation would also limit the potential for diversification of fishing opportunities or new entrants into a fishery due to costs associated with obtaining quota on the market.

Responses to QUESTION 7 – What are your views on using FQA holdings as a basis for allocating Additional Quota for 2021?

Overview of responses

- 64 responses expressed views on using FQA holdings as a basis for the allocation of Additional Quota in 2021.
- Groups which offered supportive views included: Scottish Whitefish Producers Organisation, Mallaig and North West Fishermen's Association; Peter & J Johnstone Ltd.
- Groups which offered views in opposition included: Scottish Fishermen's Organisation; Scottish Inshore Fisheries Trust; National Trust for Scotland; Open Seas, West of Scotland Fish Producers Organisation.
- Of the 64 responses to this question:
 - Fourteen gave clear, or qualified, support in their responses that FQA holdings should be a/the basis for allocating Additional Quota in 2021.
 - Forty-six responses expressed opposition to FQA holdings being a/the basis for allocating Additional Quota in 2021.
 - Four responses fitted into neither category clearly. Included in this category was a response which called for the reference period on which FQA units were originally created to be updated. A second respondent stated that they weren't opposed to the proposition but did not offer support. Thirdly, a response from a vessel owner, who holds no FQA units, setting out the barriers to acquiring FQA units and the difficulties that arise as a result of not holding FQA units (this respondent asked for their response not be made public).

Analysis of Responses

Analysis of supportive themes

There were two consistent, often linked, themes in supportive responses for the allocation of Additional Quota via FQA units.

Firstly, that an allocation via FQA units would reflect quota holdings and investment in fishing opportunity. Secondly, that allocation via FQA units was the established, well understood system that offered certainty during a period of uncertainty, particularly, when Additional Quota opportunities were lower than had been expected.

Several supportive respondents suggested that an alternative arrangement where Additional Quota would only be allocated on the basis of FQA holdings associated with active vessels. A number of responses stated that pelagic vessels should be considered separately, and allocation based on a different methodology (a view explored elsewhere in this document).

I. Reflects quota holdings and investment

The most prevalent factor cited in support of the use of the FQA system was that it reflected holdings of quota and was often seen, by those with this viewpoint, as being a fair method of allocation. This is reflected in the following responses

“Those of us that already own quota should receive any increase. Those who don't own any quota are not entitled to any increase, how can their share increase when they don't own anything in the first place?” [Individual Respondent]

“Any additional quota should be given back to the FQA holders as over the years the holdings have been cut year on year to a point any holdings are not worth having.” [Individual Respondent]

II. Expected Additional Quota opportunities have not materialised/Need for certainty

To some, particularly organisations responding on behalf of sectoral vessels, the TCA has given rise to (i) lower than anticipated Additional Quota opportunities and (ii) general uncertainty. As a result government should consider allocating on the basis of FQA holdings.

“...The amount of ‘additional fish’ provided by Brexit falls well short of even the lowest expectation, which leaves a significant gap between the share of opportunities previously accessed and those now on offer (Albeit some minor additions may be possible in the upcoming bilateral negotiations). As such, it very much negates the driver behind a change in allocation, which to all intents was seen as the wider benefit from a windfall in the level of opportunities. Underlying uncertainty for the industry this year determines that government should avoid, where possible, adding to that uncertainty.” [SWFPA AND MNWFA}

Alternative arrangements

Several respondents who were supportive of the principle of allocating Additional Quota in 2021 based on FQA holdings did stipulate that allocation should be given to active vessels only.

Analysis of opposing themes

The option of allocating via FQA holdings for 2021 drew the greatest degree of opposition of the three presented. Although it should be noted that some opponents saw close alignment between an allocation based on track record and an allocation based on FQA holdings (suggesting that a 'privileged' group would acquire these additional fishing opportunities and the possibility of diversification would be limited)

Different themes were often interwoven through answers, however, the most prevalent theme was that allocating via FQA holdings would give individuals, or entities, one step removed from the active fleet a share of quota and they would then be able to sell this opportunity for commercial gains; which was seen as inappropriate. Another key theme which arose, was that an allocation via FQA unit holdings would result in the consolidation of fishing opportunities, or erode the traditional, family-owned nature of many parts of the industry. Another recurring view was opposition to the use of the FQA system as a method of distributing any quota. Other issues raised included: that use of FQAs would reward overfishing; disagreement that alternative distribution mechanisms would be complex and that different sectors should be treated differently.

I. Giving to quota traders/not giving to active fleet

The clearest theme cited in opposition to allocation based on FQA units was that this would allocate quota to quota traders/those not actively fishing. Strong opposition on this basis was particularly clear in many individual responses but was present in a range of responses.

Definitely against this system. Any extra quota should only go to the catching fleet only. We personally have spent a fortune hiring fish from slipper skippers in the last 10-15 years. [Individual Respondent]

...Against this background it is vital that both Marine Scotland and Defra implement an allocation mechanism that helps to reduce costs and increase benefits to the active fishing fleet in Scotland as much as possible – recent track record will do that while FQA will effectively maintain the status quo. [Scottish Fishermen's Organisation - Extract]

II. Result in industry consolidation/eroding family owned business

Another clear theme in opposition to an allocation via FQA units was that this would result in industry consolidation and erode the traditional, family-owned nature of the industry. This was a view that was particularly prevalent in individual responses.

“This has the effect of widening the gap between the boats which are relatively well off with quota and the boats which maybe struggling to make a living through quota shortage. This creates larger companies which buy up the licences and this leads to less boats and jobs and has a bad affect on coastal towns.” [Individual Respondent]

“Negative - the people with the most FQAs have indeed invested heavily in them and should not be penalised but hoarding fishing opportunity is to the detriment of the fleet and industry as a whole. If additional quota allocation is based on present FQA holdings that will unnaturally inflate a market which should not exist in the first place, and ensure that only the rich get richer, consolidating more quota in fewer hands” [Individual Respondent]

III. Not consistent with Government objectives/inconsistency with criteria

Similar to some responses to the use of track record (option 1), opposition to an allocation based on FQA units was intimated in many responses, on the view that it was not consistent with government objectives. Environmental organisations were generally explicit, in their view, that this approach was not consistent with government objectives but other sectors also questioned this option’s alignment with objectives and criteria:

“It is the view of the Trust that Option 3 does not align with the overarching principle of sustainability in the SFMS (2020-2030), and will not support “equality of opportunity for fishing opportunity”, nor allow “new entrants and small family owned businesses to grow and contribute to the long-term economic growth of the Scottish fishing industry”. [Scottish Wildlife Trust]

“...this will only deliver quota to current FQA holders, not all of which are active, and maintain the status quo that those heavily in favour of will no doubt argue should be maintained from 2022 onward. This also does not deliver on the pledge to reduce costs to the fleet” [WSFPO - Extract]

IV. Opposition to the FQA system

A number of respondents stated that allocation via FQA units would, in their view, repeat historical mistakes. As noted separately, there was strong opposition to the use of FQA units as a means for distributing any quota. However, some respondents explicitly stated this in responses

“I totally disagree with allocating additional quota based upon FQA holdings. The FQA system is fundamentally flawed...” [RHIFA - Extract]

“FQAs should be scrapped, they are a big part of the problem” [Individual Respondent]

V. Other issues raised

Other factors present in responses opposed to an allocation based on FQA units included:

- It would reward overfishing
- Disagreement that allocation via other mechanism other than FQA units would be complex and time-consuming.
- Vessels from different sectors should to be considered separately, for example with distribution being equal between participating vessels in different groups.

Summary of views

Of the three alternative options presented in this consultation, and for utilisation in 2021, an allocation based on FQA holdings drew the least support and the greatest degree of opposition.

Where support was present in responses this focused on the facts that allocating via this mechanism would reflect FQA holdings/investments that had been made and that this system of allocation was established and provided a ready platform for 2021.

In terms of opposition recurrent was that this option would see quota allocated to individuals and businesses a step removed from the active industry and not help reduce business costs. As with option 1, views were expressed that the use of FQA units would limit benefits to a restricted group with the consequence that this would result in limited potential for diversification, wider socio-economic benefit and reduced environmental impact

Other Allocation Options

The focus of the consultation document was to gain views on the three identified options for the allocation of Additional Quota in 2021. However, we also invited views on alternate options for the allocation of Additional Quota in question eight particularly with a view to inform future arrangements.

Responses to question 8 – What are your views on alternate options for allocating Additional Quota?

In question eight, we sought responses from consultees on potential alternate methods for distributing Additional Quota. Many responses restated their views on the three options or reiterated calls for pelagic quota to be treated separately (particularly that pelagic quota should be distributed equally between applicable vessels).

The table below sets out alternative arrangements suggested which have not been explored elsewhere in this document.

Proposal	Summary of Reasoning (if given)
Community quota scheme / local quota initiatives / inclusion of IFGs	Better economic linkages from resource; can facilitate new entrants into the industry; would be of significant benefit to coastal communities; positive work of FLAG could be used for allocation of community quota;
Quota distributed following applications to government.	Applications could be submitted to Marine Scotland and quota awarded on alignment with criteria. Government could incentivise good practice (e.g. reduced environmental impact; socio-economic benefits). Could be used to facilitate a new entrant's scheme.
Link to landing into Scotland.	Economic benefit shared with the wider sector Scottish Economy and coastal communities.
Distribute Additional Quota equally between active vessels	Reward active fishermen and limit for non-active.

There was a strong level of support for the establishment of community quota schemes where fishing opportunities could be allocated in a way that best suited local requirements, though calls for transparency and due process to be at the centre of any regional management of the resource.

Responses from environmental organisations, and some individual respondents, indicated support for government allocating Additional Quota in response to proposals from industry. Environmental organisations in particular saw this as a means to incentivise/reward particular behaviours, especially behaviour with a reduced environmental impact. Individual respondents tended to focus on this method as being one which would allow for new entrants.

Amongst other proposals were:

- Additional Quota should be distributed based on vessel and or engine size.
- Additional Quota should be leased out by the Scottish Government.
- Additional Quota should be used as a means of dealing with the landings obligation.
- Creation of new licences – to allow for new entrants into fisheries.

Summary of views

There was strong interest in alternative mechanisms for allocating quota as can be seen in the table above, these proposals will be explored ahead of further consultation on this issue for future years.

Other Issues Highlighted in Responses

Duration of consultation

Comments were made with regards to the duration of the consultation, we apologise for the shortened nature of the consultation this was due to the delay in the signing of the TCA and the need to be in a position to allocate quota apportioned to Scotland from the UK share.

Views on the FQA system

This consultation sought views on the methodology for allocating Additional Quota only, it did not seek views on the allocation methodology for Existing Quota, which the Scottish Government has stated will continue to be allocated on the basis of the FQA system.

However, many respondents set out their support, or opposition, for the continued use of the FQA system for the allocation of Existing Quota.

In particular, some respondents outlined their strongly-held views in opposition to the use of FQA units as an allocation tool. This was pronounced in responses from environmental/conservation organisations, which advocate for a change in allocation policy as a way to deliver environmental/socio-economic change but was also present in other responses.

OUTCOME AND NEXT STEPS

Having analysed consultation responses we will briefly explore two variations to the options proposed that were raised in responses for use this year.

Pelagic sector

A proposal cited in some responses was that pelagic vessels should be set apart from other sectors and quota distributed equally between eligible vessels. A range of reasons were presented to support this change (such as recent extensive rebuilding in the pelagic fleet). This proposal will not be utilised for 2021, as it is such a significant variation on any of the proposed methodologies and there is no opportunity for alternative points of view to be gathered. Fundamental issues would need to be considered in relation to this proposal such as: whether vessels capturing handline mackerel are eligible - as in many such responses eligibility is not clear. This will be considered for future allocation but not at this point.

However, many of these responses (and others) highlighted that many large pelagic vessels have been replaced in recent years which will impact on individual track record of these vessels. Having looked at the rate of change in pelagic vessels this is substantiated. This sentiment was also raised in other responses concerned with sectors outside the pelagic fleet (such as West of Scotland FPO).

Use of 2020 in track record period

There were also calls for the year 2020 to be included in the reference period for track record. Given this was not one of the options consulted upon and respondents were not able to provide feedback this will not be used for this year. Consultees may have raised issues with 2020 being used given the impact of the Covid-19 pandemic.

Alignment of options with aims

Moving on now to consider how the options presented align with Marine Scotland's aims for the use of Additional Quota in 2021.

In the consultation document we stated that in considering our approach to the allocation of additional quota for 2021, we sought to:

- Support the active fishing fleet and help reduce their business costs.
- Help businesses with diversification of fishing operations through access to new fishing opportunities.
- Be consistent with Marine Scotland's developing future fisheries policy and developing Blue Economy Action Plan.

We set out that, in line with the UK Fisheries Act 2020, Additional Quota will be distributed based on criteria that:

- Are transparent and objective; and
- Include criteria relating to environmental, social and economic factors.

Informed by the consultation responses and wider considerations (such as the outcome of the TCA) we will now explore how the options align with Marine Scotland's approach for the allocation of additional quota in 2021 and set the basis for allocation Additional Quota for 2021, in line with the Fisheries Act criteria.

Support the active fishing fleet and help reduce their business costs

To a greater or lesser degree all of the three options presented offered support to the active fishing industry. However, as can clearly be seen in responses there was a strong view that allocation based on FQA holdings would also reward businesses/individuals a step removed from the active catching sector.

The option that would appear to best align with supporting the active fishing fleets is that of allocating based on historical track record – as quota allocation would reflect previous fishing activity.

In analysing data regarding the flow of stock swaps it can be seen that for many North Sea and West of Scotland stocks, the Scottish sector is a net acquirer of quota, i.e. Scottish vessels' historic landings show a requirement to acquire additional quota from other UK (or previously EU) sources. With the outcome of the TCA (which has delivered less Additional Quota than had been expected) and the fact that no further Additional Quota opportunities have been realised in negotiations, this could place an even greater demand on leasing quota if allocation was distributed on the basis of FQA holdings. Allocating via track record would recognise past activity in fisheries and therefore help reduce the need to engage in quota leasing.

Likewise, allocating additional quota to the non-sector would support active fishing vessels. However, as highlighted in consultation responses, where additional opportunity has been provided to this fleet in the past, it has not always been fully utilised. There are also capacity or geographic issues (such as stocks not being present in inshore waters) that may limit the catching capacity of non-sector vessels.

In terms of helping to reduce business costs, the option that most clearly aligns with this aim is historic track record. Supportive responses for the use of historic track record (and responses opposed to allocation based on FQA units) made clear their opposition to Additional Quota being used as means of gaining financial reward by those not actively fishing. Allocating quota based on track record will help reduce leasing costs to the active industry. The same situation is not present in the non-sector as the facility to swap quota is not available (vessels fish from a collective pool of quota).

Help businesses with diversification of fishing operations through access to new fishing opportunities

The method of allocation that most clearly satisfies this criteria is allocation to the non-sector. By definition historic track record is centred on past activity and FQA units are largely based on a reference period from the 1990s (though it should be borne in mind that quota swaps and transfers can allow for a degree of diversification).

By allocating Additional Quota to the non-sector pools this gives the opportunity for all vessels in the respective pools to target the quota (however, it must be taken into account fishing opportunities are not equivalent around the coast).

Be consistent with Marine Scotland's developing future fisheries policy and developing Blue Economy Action Plan

At this point, the Blue Economy Action Plan is in development and though the Future of Fisheries Management Strategy has been published a monitoring and evaluation framework is to follow. However, the FFM sets out environmental, economic and social objectives and we will now explore which of the three options best align with these:

Environmental outcomes

It can be seen in consultation responses that there was the clear view that allocating Additional Quota to the non-sector would have the lowest impact on the marine environment of the three options presented. This was particularly the case where fishing operations were carried out in a way that reduced the impact on the marine environment. Marine Scotland would agree that allocating to the non-sector where the method of capture is associated with a lower environmental impact (such as handline) can offer the potential to minimise impact on the marine environment. A point not developed in consultation responses, however, was the potential increased carbon footprint from having additional vessels targeting new fisheries.

Allocating based on historical track record can also be seen as a means of offsetting the impact of the landings obligation, however, this was not developed to any significant degree in consultation responses.

Economic outcomes

As set out above (under the aim: Support the active fishing fleet and help reduce their business costs) the use of track record will help reduce the need to engage in swaps to acquire fishing opportunity

In terms of widening economic benefit, allocating Additional Quota to the non-sector has the potential to broaden impact – provided that this opportunity is utilised and market opportunities are available for the additional opportunity – in a way that neither of the alternative options explored could. This is because quota allocated to either of the non-sector pools is available to all vessels in the groups and not dependent on historical activity (though there are limiting factors such as geographic location etc.).

Societal outcomes

Again to a greater or lesser extent all of the options can help support our coastal communities. Allocating via FQA units potentially has the least direct benefit, as individuals/entities a step removed from the active sector benefit, whereas the two alternatives direct fishing opportunity directly to the active fishing fleet. In terms of

spreading economic benefits from Additional Quota, the most direct benefit can be seen in allocation to the non-sector – providing such opportunities are utilised. As this would present economic opportunity beyond those with track record or FQA holdings.

Conclusion

Following consideration of responses to the consultation, objectives for the use of quota, criteria set out in the UK Fisheries Act 2020 and other relevant factors (such as the outcome of the TCA and the fact we are nearly a quarter of the way through the quota year), the Scottish Government for 2021 will:

- Allocate the greater share of Additional Quota based on historic track record on vessels in the reference period 2015-2019, to vessels active as of 1 January 2021.
- Allocate a proportion of Additional Quota to the non-sector.

The allocation of Additional Quota to these groups will target fishing opportunity to the active industry, help to reduce business costs and allow for the diversification of fishing opportunity.

Next Steps

Details of allocation

Historic track record:

- Vessels will be apportioned track record in line with their declared landings of fish stocks during the reference period 2015-2019 – some quota stocks landed during this reference period are no longer regulated by a Total Allowable Catch and therefore there is no Additional Quota to be awarded.
- Additional Quota will be awarded to vessels that were active (an active Scottish vessel and licence) as of 1 January 2021. This is to ensure that Additional Quota is being awarded to the active fishing fleet. In addition, assessments of sectoral group membership to inform allocation, is based on membership as of 1 January.
- Additional Quota will be allocated to sectoral groups based on the aggregated share of vessels in that group at 1 January 2021. However Additional Quota will be distinguished from Existing Quota as part of the allocation process for ease of reference for sectoral groups.
- For vessels replaced during, or since, the reference period, and where the replacement vessels was active at 1 January 2021, Marine Scotland has associated the track record of the inactive vessels with their direct replacements, where the ownership is identical and where the former vessel had landed a minimum of 200 tonnes (of all quota stocks) in the reference period.
- It is expected that sectoral groups will allocate Additional Quota to their vessels on the same basis as it has been allocated to the sectoral group by the Scottish Government.
- The Scottish Government will seek details on how Additional Quota has been utilised from sectoral groups to inform our understanding of utilisation.
- Further details will be set out in updated Scottish Quota Management Rules.

Non-sector:

To allow for diversification of fishing opportunity and help increase resilience, the non-sector pools will receive Additional Quota.

Given delays in allocation of additional quota, our opportunity for discussion with stakeholders is limited. However, having considered the criteria set out in the consultation document, consultation responses and analysis of recent landing data we will allocate additional quota to the non-sectors to allow for diversification of fishing opportunity and help increase resilience.

At the point of writing we do not have details of the tonnages of Additional Quota to be apportioned to Scotland, however, we will seek to allocate additional opportunity to the 10 metre and under pool for the following stocks (estimated allocation of Existing Quota for 2021 added for reference)

Stocks for which we will seek to allocate Additional Quota
North Sea cod
North Sea saithe
North Sea anglers
North Sea lemon sole
North Sea skate
North Sea ling
North Sea mackerel
West of Scotland mackerel
West of Scotland skate
West of Scotland anglers
West of Scotland ling

For the over 10 metre fleet we will look to make mackerel quota available for handline fishing.

Scottish Quota Management Rules

Further details on the allocation of Additional Quota will be set out in updated Scottish Quota Management Rules.

Future arrangements

The future allocation of Scottish Additional quota will be the subject of a further consultation. We note the responses related to alternative methods of distribution and note themes including developing regional initiatives, allowing for diversification/new entrants and allocation based and incentivising desired socio-economic / environmental characteristics.

**Marine Scotland
March 2021**

ANNEX A - Organisational responses

Aberdeen Fish Producers Organisation LTD
Artemis Fishing Company LLP
Blue Marine Foundation
Bremner Fishing Company LTD
Clyde Fishermen's Association
Communities Inshore Fisheries Alliance
Community of Arran Seabed Trust
Fiskebas Fishing Company
Heather Fishing Co LTD.
Klondyke Quota Management Group Limited
Lunar QMG Ltd
NESFO Ltd
Northbay Fishing Company Limited
Orkney Fisheries Association
Orkney Fish Producers Organisation
Peter & J Johnstone Ltd.
RHIFA
Scottish Fishermens Organisation
Scottish Wildlife Trust
Serene Fishing Company
Shetland Fish Producers' Organisation Ltd.
Sunbeam Fishing Ltd
Sustainable Inshore Fisheries Trust
SWFPA AND MNWFA
The National Trust for Scotland
The Open Seas Trust
West of Scotland Fish Producers Organisation Ltd
WESTERN ISLES FISHERMEN'S ASSOCIATION



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