

# **The Allocation of Scottish Additional Quota from 2024**

## **Outcome of Consultation Document**

**June 2024**

## Section 1 - Executive Summary

This document provides an analysis of responses and outcome to the 'Consultation on the allocation of Additional Quota for 2024'. A copy of the consultation can be found at: [Fish stocks: allocation of additional quota - Scottish Government consultations - Citizen Space](#)

The consultation sought views on how Scottish additional quota fishing opportunities is allocated from 2024.

### Summary of responses

There were 91 responses to the consultation. Respondents represented a range of stakeholders: those whose living is dependent on fishing, environmental groups, fishermen's organisations, businesses associated with the industry, interested individuals and a local authority. A range of viewpoints were returned on each of the questions in the consultation document.

### Summary of Outcome

Following consideration of responses to the consultation, associated impact assessments, requirements for the distribution of quota as set out in the Fisheries Act 2020<sup>1</sup>/Joint Fisheries Statement<sup>2</sup>, and other relevant information, the Scottish Government will allocate Additional Quota in the following way:

- Through the Historic Track Record (HTR) of active fishing vessels.
  - From 2025, the track record period will change to a rolling reference period.
- Through special allocations to non-sector vessels with an immediate uplift in the quota retained for the following stocks: North Sea saithe, North East Atlantic mackerel, North Sea cod and West of Scotland cod.
- From 2025, West of Scotland cod will be allocated to sectoral vessels following an application process.
- Retaining the option to allocate quota on an equal basis between eligible vessels resulting from swaps of fishing quotas with other coastal states.

While not intending to introduce the following in the short term, the Scottish Government will additionally:

- Investigate the potential development of Community Quota Initiatives, with this allocation methodology potentially being adopted in future years.
- Explore whether non-compliance with fishing regulations could be used as a basis for withholding access to AQ as part of a body of work to review the penalties system.

## Section 2 - Introduction

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<sup>1</sup> [Fisheries Act 2020 \(legislation.gov.uk\)](#)

<sup>2</sup> [Joint Fisheries Statement \(JFS\) - GOV.UK \(www.gov.uk\)](#)

On 19 October 2023, the Scottish Government published a consultation seeking views on how AQ should be distributed from 2024 the conclusion of the TCA agreement. The consultation closed on 11 January 2024.

The consultation document set out the policy background to the consultation, how AQ had arisen and why it was being treated differently to the remainder of fish quota. Following the closure of the consultation, responses were analysed and considered, along with other available evidence to help inform our outcomes.

Fisheries management in Scotland is framed within the delivery of the Scottish Government's National Performance Framework, and helps support a range of national outcomes including those related to supporting a sustainable economy, delivering fair work and thriving businesses, supporting a strong international presence for Scotland, empowering communities and strengthening their resilience.

This report summarises feedback to questions posed in the consultation, as well as supplementary feedback, and provides the Scottish Government's outcome and next steps in relation to the allocation of AQ from 2024.

## **Respondents to the consultation**

There were 91 responses to the consultation. These consisted of 36 private individuals (40%) and 55 organisations (60%). 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 conviction about the management of Scotland's fishing opportunities. We thank all of those who took the time to provide a response.

Of the 91 responses, 11 were nearly identical and submitted on behalf of different respondents by a single company. another three identical responses were submitted by three separate companies. In the tables accompanying analysis of each question we present these two batches of responses as separate responses (constituting 14 separate responses) and grouped together (constituting two separate responses).

## **Format of responses to the Consultation Document**

In the consultation document, views were sought (yes/no/don't know responses) on each of the proposals and we sought reasoning behind these responses. This helped in our qualitative and quantitative analysis. In many instances respondents chose not to have their response and/or name and organisation name published.

We set out in the consultation document that it would be helpful if respondents considered how each of the options met the requirements of Section 25 of the Fisheries Act 2020 - particularly in relation to social, economic and environmental factors. We thank those that sought to do this in their responses.

## **Format of this Outcome Report**

In Section 3, we explore responses to each of the options and questions. Themes, in support of and in opposition to each proposal, are explored, with particular emphasis placed on recurrent themes in responses.

The consultation was split into two parts, the first sought views on how Scotland could allocate AQ from 2024, and in later years. The second presented a “Call for Evidence” where views were sought on alternative, future, methodologies for allocation quota. As set out below:

#### Section 1: Allocation Options:

1. Historic track record (HTR) (of landings)
2. Special allocations for the non-sector groups
3. Allocation of fishing opportunities equally between all vessels or a section of vessels
4. Landings into Scottish ports
5. Access to additional quota for vessels with independent accreditation
6. Exceptionally providing AQ as a result of lost fishing opportunities
7. Applications from sectoral groups on environmental criteria

#### Section 2: Calls for Evidence for Further, Future Allocations

- Incentivised selectivity
- Community quota schemes
- Diversification of fishing opportunities
- History of compliance with regulatory requirements relating to fishing
- Alternative suggestions

For each of the methodologies:

- 1) Where we asked closed questions (yes, no, don't know) we have set out the number of responses for each category of response.
- 2) Explored key themes to each question in relation to each option.
- 3) Where we asked closed questions (yes, no, don't know) we have sought to arrange analysis under supportive/opposing/don't know responses with emphasis placed on key themes.
- 4) Present a Scottish Government response.

Having considered each question, we then set out the full Marine Directorate response and our “Next Steps”.

### **Quotations**

In exploring views in responses to the consultation, we have used complete, or partial, extracts from responses. It is important to note that quotes may be extracts of responses to individual comments and additional points/comments may have been made.

For example, a respondent may have set out that they supported a particular delivery mechanism on the basis that it could deliver greater social/environmental/economic benefit but have gone on to attach conditionality to

that support (or vice versa). For brevity, we may have only used the supportive element of a statement in keeping with the structuring of our analysis

Where an extract, as opposed to a full answer, has been used we have sought to indicate this. We have used quotes in order to illustrate themes present in responses and only used responses which have indicated where they are content to be published. Published responses are available at: [Scottish Government consultations - Citizen Space](#)

## Definitions

**“Existing Quota”** (EQ) means the share of the Total Allowable Catch (TAC) 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”** (AQ) means the extra quota the UK secures as an independent Coastal State. It is described as anything above the UK’s existing share of quota.

**“Active Scottish vessels”** An active vessel, is a vessel which has an attached, active fishing licence, administered by Scotland as of 1 January in the calendar year for which the quota is being distributed.

## Guiding Principles and Statutory Obligations

UK fish quota opportunities are allocated by Fisheries Administrations in accordance with the Fisheries Act 2020 and Joint Fisheries Statement. EQ is distributed primarily to Sectoral Groups in proportion to the number of Fixed Quota Allocation units (FQA units) associated with their membership. The continuation of arrangements for EQ is in line with the [Fisheries Management Strategy in Scotland](#) and in this document we set out new arrangements for the allocation of AQ.

In compliance with the Fisheries Act 2020 and the Joint Fisheries Statement, AQ will be distributed on the basis of transparent and objective criteria relating to environmental, social and economic factors. The criteria may in particular relate to:

- (a) the impact of fishing on the environment;
- (b) the history of compliance with regulatory requirements relating to fishing;
- (c) the contribution of fishing to the local economy;
- (d) historic catch levels.

Additionally, we seek to incentivise the use of selective gear and fishing techniques with a reduced impact on the environment.

In the distribution of AQ we align with Scotland’s National Marine Plan, the Fisheries Management Strategy and the [Blue Economy Vision](#). The Scottish Government aspires to support the fishing industry to optimise fish quota opportunities.

As stated in the consultation document, the outcome of this consultation will be subject to review following the conclusion of the current TCA agreement period with the EU (2026).

It is important to note that the way the Scottish Government allocates AQ will change in 2024, 2025 and 2026. The share/percentage of quota, allocated by any particular methodology, will change over the next three years and will kept under review.

### Section 3 – Analysis Of Responses

#### Option 1 - Historic Track Record (HTR) (Of Landings)

In Option 1, we sought views on allocating Additional Quota based on the Historical Track Record of vessels. The HTR method allocates fishing quota based on what a vessel landed previously for each fish stock. For more information on this methodology please refer to the consultation document

#### Question 1 Responses

Table 1. Aggregated responses to consultation question 1: *Do you agree with the proposal to award AQ to the sectoral groups on the basis of the HTR of vessels in their group?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	50	55%	40	51%
No	35	38%	33	42%
Don't know	5	5%	5	6%
Not Answered	1	1%	1	1%
Total	91	100%	79	100%

#### Themes in Supportive Responses

The primary reasons most frequently given by respondents in support of allocation of AQ by Historic Track Record were: that it allocates quota to active fishers, it recognises investments made by businesses, it maximises the available economic opportunity and its compliance with Section 25 of the Fisheries Act 2020.

##### Allocates to active fishers

Many supportive responses set out that the allocation of quota based on HTR removed access to ‘non-active’ parties. What is meant by ‘non-active’ is individuals or companies that hold FQA holdings for quota species but do not fish for this opportunity, instead, they provide this opportunity to others – often at a cost. Therefore, HTR was seen as a way of providing the active fishing fleet with AQ and also delivering to those with the largest historic shares of catch.

“AQ should be allocated to the vessels that are catching the fish, so as not to benefit non sea going companies or retired quota holders. This is to the benefit of the vessels and will hopefully reduce quota renting costs to make there businesses more profitable..” [Individual – Anonymous Response].

The reason HTR was seen as a way of reducing costs to the active fleet is that many vessels do not hold sufficient quota for the species they target or catch. Indeed for many key species – cod, haddock, whiting, saithe, hake, anglerfish & ling - the Scottish whitefish fleet has been an importer of additional fishing opportunities from the rest of the UK and from Europe. This means that for some vessels their allocations of Existing Quota alone (i.e. the amount which would have been distributed to Scotland were the UK still an EU-member) were, and still are post-withdrawal, insufficient for their catch plan.

This is the keen problem when distributing fishing opportunities: where quotas held in Scotland, and UK, are smaller than the catches. Though no distribution mechanism can resolve the issue of a shortfall of opportunity – HTR at least allocates to those businesses with a more recent track record of fishing for these opportunities.

#### Recognises investments made by businesses

The second reason most frequently provided was that it: recognised previous investments by the fleet and helps for business certainty.

“Yes, awarded on the basis of historic track record. This supports active fishing businesses that are invested in the fisheries and supports business certainty and the communities the industry supports.” [East England Fish Producer’s Organisation]

“By doing this allows boats that have already secured a decent amount of quota and has allowed them to put in decent landings and have a track record get even more access to quota.” [Individual – Anonymous Response]

#### Maximises Economic Return

Another recurring theme was that allocating based on HTR maximised the available economic opportunity. It was held that vessels had demonstrated an ability to catch these stocks and therefore returned socio-economic benefit to the individual catching companies:

“This returns the catch tonnage to those who have the ability to maximise the economic return.” [Organisation - anonymous response]

#### Alignment with Fisheries Act/environmental factors

Some Sectoral Groups set out that allocation on the basis of HTR aligned with factors set out in the Fisheries Act 2020 and or environmental factors.

“NESFO is of the opinion that the HTR method ensures that we meet all the criteria set out in the Fisheries Act 2020 and the Joint Fisheries Statement.” [North East of Scotland Fishermen’s Organisation]

“...From an environmental perspective, HTR allocation targets AQ at those most likely to catch the fish stocks in question, which given the imbalance between fleet capacity and fishing opportunities (the Scottish offshore demersal sector being a net importer of fishing opportunity to achieve viable 12-month fisheries), reduces the extent of that imbalance, improves compliance with the Landings Obligation, and consequently improves the sustainability of fishing operations...” [Scottish Fishermen’s Organisation]

## Themes in opposing responses

Recurrent themes in opposing responses were:

- Those unable to acquire opportunity previously are penalised
- New entrants excluded
- Does not align with requirements of Fisheries Act

Those unable to acquire opportunity previously are penalised

Whilst Historic Track Record delivers gains for those vessels with a track record, there are some vessels which may not have been able to fish beyond their means previously and may have been inhibited from developing their fishing opportunities; firstly by not being able to access more quota during the reference period and then by the fact that a static fishing pattern will result in a smaller share of the ‘national’ track record, and less AQ.

“By awarding AQ through a track record method, all it does is widens the gap between the smaller and larger quota holders, therefore putting the smaller guys at risk of being less competitive and eventually being taken over by these larger operations and being less boats and jobs in the industry.”  
[Individual – Anonymous Response]

New entrants excluded

This links with one of the most repeated statements of opposition to this option; that potential new entrants to the fleet, or a specific fishery, are closed off from accessing AQ, as the vessel would not have been active during the reference period.

“Basing the allocation on landings over a fixed period also hinders new start fishing businesses and new entrants trying to join the industry: the very vessels who could most do with some additional quota to help them pay back early loans etc.” [Organisation - anonymous response]

New entrants, i.e. one additional vessel joining the fleet or entering a fishery for the first time, are a thorny and emotive topic. The view that barriers to entry should be low to ensure competition and renewal within the industry is understandable but that is made more difficult when the Scottish industry is already reliant on sourcing quota opportunity from outside the country for many key stocks— either quota holders in other parts of the UK or the EU.



Does not align with requirements of Fisheries Act

Particularly eNGOs were of the view that allocating on the basis of HTR did not meet the factors required in the Fisheries Act 2020.

“Distributing based on track record neglects to account for social and environmental criteria and therefore would fall short of the duties of Section 25.” [Open Seas]

“A historic track-record approach based solely on previous landings does not align with the Scottish Governments’ ambitions for a just transition, but could be used alongside other options that incentivise the use of selective gear and use fishing techniques that have a reduced impact on the environment, in line with the statutory requirements outlined in the Fisheries Act (2020) section 25(3).” [Organisation - anonymous response]

### Review of Don’t Know

Those who answered this way provided reasoning broadly in line with the themes explored in the section above.

### Question 2 Responses

Table 2. Aggregated responses to consultation question 2: *Should the reference period for assessing an active vessel’s HTR be fixed (2015- 19), another period, or should it move to a rolling five-year period?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Fixed period 2015-19	12	13%	12	15%
Rolling period	29	32%	29	37%
Another period	29	32%	17	22%
Don't know	12	13%	12	15%
Not Answered	9	10%	9	11%
Total	91	100%	79	100%

Responses about the method for assessing Historic Track Record (HTR) shares provoked a range of responses, many of which entered “Another Period” but provided reasoning that they did not support Historic Track Record as a means to allocate AQ. This provides for a greater share of support for a “rolling reference period” in allocating AQ via a Historic Track Record shares.

### Themes in support of a rolling reference period

Support for a rolling reference period was predominantly recognised as a means to provide an opportunity for new entrants to gain a foothold for an allocation of AQ, whilst simultaneously supporting many of the other positive comments for the HTR methodology.

“... agrees that a rolling five-year period would be a solution that would allow new entrants to generate full HTR whilst ensuring that allocation is given to those that are active in the fishing business.” [Organisation - anonymous response]

A rolling reference period also ensures that allocation of quota is not fixed to activity that is no longer representative of current, or more recent, fishing activity.

“A rolling period would keep the distribution of AQ as relevant as possible to individual vessels.” [Individual – Anonymous Response]

### **Themes in opposition of a rolling reference period**

Negative comments associated with a change to a rolling reference period noted concerns that it may drive demands to fish harder, thereby increasing costs (quota leasing) and potentially leading to overfishing.

“A rolling 5-year period could also risk incentivisation to catch more and overfish AQ stocks (to ensure bigger proportions of AQ) which does not align with requirements under the Fisheries Act / JFS.” [Organisation - anonymous response]

We would point out that overfishing is a regulated matter and all overfishing is dealt with and via a penalty scheme, namely through a deduction in quota. Any perceived gain achieved by overfishing would be removed and the action becomes meaningless.

Some concerns were noted about specific years being part of a rolling, or an updated and fixed reference period, namely 2020 (COVID-19 pandemic) and 2021 (year one of the UK becoming an independent Coastal State and perceived associated issues).

“... shifting it forward now with the retention of a five-year period would put the timeframe in the period of the Covid Pandemic which could create imbalances in allocations given the upheaval that some experienced. Therefore, it is our view that the initial window to consider such a change would be following the renegotiation of the TCA agreement which would kick in from 2027.” [West of Scotland Fish Producer’s Organisation]

At a macro-level, there were no obvious impacts to the total landings of fish stocks (managed by TAC) in either year. It is inevitable that individual vessels will have been impacted differently in either year. However vessels can be similarly impacted if they require to be out of the water for any unplanned/prolonged period. The inherent value of a rolling reference period is that such years are eventually removed from a track record rather than being fixed.

### **Themes in support of a fixed reference period**

Many respondents who supported a fixed reference period cited the security for business planning. Many of the same respondents also provided comment that the fixed period should be updated or reviewed regularly.

“NESFO is of the opinion that a five year period would be the most appropriate as this would give businesses assurances on their individual activities and would address any anomalies that may incur in a shorter period of time. This five year period should be assessed at regular intervals but not on a yearly basis. Using this strategy would allow for new entrants to build up their own HTR over time.” [North East of Scotland Fishermen’s Organisation]

“The SFO is content with the current reference period although we would also support an updated reference period of 2016-2022. However, we note that this would take time and resource to facilitate. We would not support a rolling reference period.” [Scottish Fishermen’s Organisation]

### Themes in opposition to a fixed reference period

The majority of respondents against a fixed reference period came from the angle that it closed-off new entrants from getting access to this portion of quota.

“We would object to a fixed period of 2015 to 2019 as there is a real danger that such an allocation process would enshrine into perpetuity the current demographics of the fleet.” [Organisation - anonymous response]

“We believe that newer fishing companies – facing greater immediate financial burdens/loan repayments, and without the opportunity to have built up FQA quota holdings over time – are the very companies who are in the greatest need of receiving AQ from the government. The current system of allocation has ignored this, and left those most in need to go without by favouring vessels with a historic track record.” [Organisation - anonymous response]

### Other issues raised in responses

One other common statement noted that Historic Track Record (HTR) impacts vessels from the non-sector in two ways; first that vessels are limited by periodic catch limit; and secondly, that non-sector vessels are not permitted to lease quota and therefore cannot raise similar benefits (arising from HTR) which vessels in membership of sectoral groups can.

### Question 3 Responses

Table 3. Aggregated responses to consultation question 3: *Should the provision to enable vessel owners to retain an HTR between the original and subsequent replacement vessel be continued?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	73	80%	61	77%
No	6	7%	6	8%

Don't know	4	4%	4	5%
Not answered	8	9%	8	10%
Total	91	100%	79	100%

### Themes in supportive responses

An overwhelming majority responded that there was a need to transfer the Historic Track Record (HTR) from the original vessel to a replacement vessel (under the same ownership).

In brief this statement of support could be summarised as:

- Removing risk (due to loss of HTR) when a vessel owner replaces the vessel, delivering business continuity and stability to the active fleet.
- Reduction in potential for an ageing and inefficient fleet which may result in limiting reductions to fuel emissions;

Removing risk (due to loss of HTR) when a vessel owner replaces the vessel

The replacement of fishing vessels is a natural part of the industry. An often cited benefit of the FQA system is that it has provided stability on which investments can be made. Supporters often highlighted that allowing HTR to be passed from one vessel to another allowed for confidence in making investments.

“Those taking the risk of modernising their vessels, should not have the risk of losing quota allocation i.e. fishing opportunity, added on top.” [Organisation - anonymous response]

Reduction in potential for an ageing and inefficient fleet which may result in limiting reductions to fuel emissions;

“To do otherwise could only be a serious injustice to active fishermen, and would be a serious impediment to the development and renewal of the Scottish fishing fleet. As newer boats are generally associated with reduced running costs, fuel consumption and GHG emissions - and with increased crew safety and welfare - any measure which discouraged fishing boat renewal can only be detrimental.” [Organisation - anonymous response]

Caveated support for this proposal sought to redefine the definition of “active vessel” or the need to have a fixed date at which point to assess all active vessels.

“However, there does need to be more flexibility in defining “an active vessel” – rather than basing this on a single arbitrary date (1st Jan). In reality, when replacing a vessel, there is usually a period between a previous boat being sold on and the new vessel starting to fish.” [Organisation - anonymous response]

“The definition of active vessel in the consultation document is flawed as it does not take account of businesses who have perhaps sold their fishing vessel as they are building a new one. Under the definition if a business does not have a fishing boat on the 1st January they are precluded from AQ for that year. That is wrong and needs amended to include a provision where a business can prove (through contractual evidence) they will have an active vessel in that year they can get AQ allocated to their business. This would be fair and it is obvious.” [Organisation - anonymous response]

This is a contentious area. If a vessel is inactive at the 1 January, it could be argued that the vessel should not anticipate to receive a full share of Additional Quota allocation. It also makes allocation liable for inequality of treatment and even manipulation – a contract of estimated delivery of a new vessel is no guarantee that the vessel will be active by this date.

Without an “arbitrary” date, allocations of Additional Quota would require to be constantly revised. This is an issue which the fishing sector has been unanimous in complaint that delays to the issuing of quota allocation results in issues for vessel management and prejudices opportunity for early year fisheries, for example Northern blue whiting and Atlanto-Scandian herring.

The 1 January ‘deadline’ corresponds with the same date used to identify vessel group membership at the start of the calendar, or quota, year and which is also used to link FQA unit holders with groups for the purpose of UK apportionment and FA allocation.

If a later date were to be fixed, this would delay the issue of allocations associated with HTR, about which all parts of the fishing fleet has persistently complained and which has been implied to inhibit fishing, and thereby, economic activity.

These are quite fundamental reasons to retain the 1 January deadline for assessing the list of active vessels eligible for HTR in any single quota year.

### **Scottish Government summary response to questions in Option 1**

Question 1 asked respondents whether AQ should be awarded on the basis of landings by individual vessels, question 2 whether current reference period should be amended, and question 3: whether the provision enabling vessel owners to retain HTR between original and replacement vessels should continue.

Considering **social** and **economic** factors, we agree that retaining HTR to allocate quota rewards the active fishing fleet, therefore aligning fishing activity with consequential benefits such as employment, and associated multipliers in the value chain connected to fishing. Linking AQ to HTR is transparent and objective and relates allocation to historic catch levels. It gives certainty for fishing businesses that a proportion of AQ will be available to them through a mechanism that they have become familiar with and integrated into their catch planning.

HTR is a barrier to accessing AQ for vessels that did not have a track record in the period 2015-19 (new entrant vessels, not replacement vessels). For this reason we

sought views on amending the reference period. Having considered consultation responses, we judge that the fairest balance is to adopt a rolling reference period from 2024, meaning that the allocation of quota will continue to incentivise the active fishing of quota. Concerns were raised that this would incentivise a 'rush' to fish to maximise allocations, but we do not anticipate this being a significant cause for concern. Firstly, action through existing systems to regulate overfishing would remove any notional gain and secondly, we do not intend to bring forward the reference period to immediately before the current year, a sufficient lag will ensure such activity can be scrutinised and dealt with as above.

Concern was raised by some that moving the reference period forward would encompass anomalous years such as 2020 where the COVID pandemic had a significant impact on fishing activity. Considering activity over 5 years is intended to account for deviations from the expected level of fishing activity, and as time goes on these years will exit the reference period.

Regarding transferring HTR between vessels, we accept and agree that if we were to discontinue this arrangement, we could disrupt business continuity and the modernisation of the fishing fleet, jeopardising progress in areas such as greenhouse gas emissions. We will not revise what we consider to be an active vessel – eligibility for HTR AQ will be based on a vessel being active on 1 January of the year quota is being allocated (though the Scottish Government may consider individual cases where this is not the case).

HTR, on the face of it, may not contain **environmental** factors, however, we received comment that HTR does encompass environmental considerations. We also received comment that allocating on this basis was not compliant with obligations under Section 25 of the Fisheries Act - because it was not an explicitly environmental criterion. We do not consider any method as representing wholly environmental, social or economic concerns. Allocation on the basis of HTR is one element of allocation of AQ, and we consider our obligations through the package of options being taken forward from this consultation.

It is clear that non-sector vessels cannot capture any real-world benefits from allocation by Historic Track record. For this reason, Option 2 seeks to develop how non-sector vessels could accrue a tangible benefit from this Additional Quota.

### **Option 1 Outcome**

- HTR will be used as the basis for allocating the majority of AQ
- For 2024, this will be done on the reference period 2015-2019. However, this will become a rolling reference period, meaning that the time period used to calculate HTR of vessels will move forward each year. i.e. for 2025 the period used will be 2016-2020; for 2026 – 2017-2021.
- The definition of an active vessel (active on 1 January) will be retained for allocation purposes.
- For West of Scotland cod AQ will be allocated based on HTR for 2024 only. For 2025 and 2026 alternative arrangements will apply – see SG response to Option 7.

- Though HTR will be the primary method by which AQ is allocated in 2024, we envisage that the HTR 'pool' of quota will reduce in 2025 and 2026 as other distribution methodologies are developed. **There is no guarantee or surety that HTR will be utilised as a distribution methodology following the review in 2026.**

## Option 2 – Special Allocations for the Non-Sector Groups

In Option 2, we sought views on Special Allocations for Non-Sector vessels. These are vessels which operate outside a Fish Producer Organisation or Scottish Quota Management Group (so-called Sectoral Groups). For further details please see the consultation document.

A range of questions were asked on the principle of allocating to the non-sector (Questions 4 and 5) and then the methodology by which any this quota should be distributed (Questions 6, 7 and 8). The responses to these questions are explored below.

### Question 4 Responses

Table 4. Aggregated response to consultation question 4: *Should Special Allocations of AQ be awarded to the non-sector?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	21	23%	21	27%
No	49	54%	37	47%
Don't know	17	19%	17	22%
Not Answered	4	4%	4	5%
Total	91	100%	79	100%

The majority of responses were opposed to allocating Special Allocations of AQ to the non-sector. However, there were a significant number of 'Don't Knows'.

There were a range of supportive responses from individuals, fishing representative bodies, environmental groups and a local authority. Opposition appeared to be primarily focused from sectoral fishers and fishing representative bodies representing sectoral fishers. However, some eNGOs also opposed allocating to the non-sector.

### Themes in supportive responses

Clear themes that appeared in many supportive responses were:

- This group had been historically disadvantaged in gaining access to quota opportunities and the allocation of AQ was an opportunity to address this.
- This would increase social and economic benefits.
- Allocating to this group offered the potential to reduce the environmental impact of catching as opposed to allocating to other sectors.

These themes are explored below:

### Non-sector groups historically disadvantaged in gaining access to quota opportunities & AQ an opportunity to address this

Non-sector vessels have primarily targeted non-quota stocks (although *Nephrops*, in particular, is an important fishery for many in this group) and do not have the same track record of landing quota stocks as sectoral vessels. In addition they are not able to access quota opportunities in the same way as sectoral vessels (such as through 'leasing' or swapping quota from those who hold the fishing opportunity). Instead they are dependent on the quota opportunities provided by the Scottish Government. The extracts below highlight the view that this grouping had been historically disadvantaged and AQ offered an opportunity to redress this.

“Vessels in the non-sector groups have been more restricted than sectoral vessels in fishing for quota stocks. Without the Scottish Government allocating to these vessels some may never have an opportunity to acquire a share of these quotas...” [Comhairle nan Eilean Siar].

“[Organisation’s Name] believes that this is a good option for allocation of additional quota. Many non-sector vessels have been historically disadvantaged by the existing quota allocation system...” [Organisation - anonymous response]

### Greater Distribution of benefits/ Widen Socio-Economic Benefit

Non-sector vessels make up the vast majority of the Scottish fleet. A clear theme in some responses was that this distribution methodology would bring social/economic benefits

“Providing additional meaningful AQ to the non-sector would provide an inshore segment of the fleet to diversify and catch the AQ using a more selective methods, lining, jigging or netting, to increase their profitability, providing meaningful monthly quotas are available to coincide with seasonality availability of certain stocks in inshore waters...” [Western Isles Fishermens’ Association]

Positive discrimination in favour of the <10m sector will more directly create wealth in and support the continuance of vulnerable coastal communities. [Individual – anonymous response]

### Lower environmental impact

Another recurrent theme was that the non-sector was associated with gears that had a lower environmental impact

“... this group ...for the most part uses lower impact gears therefore it would be both far more equitable and an appropriate mechanism to incentivise lower impact fisheries by allocating the additional quota first and foremost to this group.” [Organisation - anonymous response]



“Allocating additional quota to these groups would result in the use of fishing gear with a much lower environmental impact. Under 10m vessels methods are often associated with higher selectivity, reduced bycatch of fish species and a lower impact on the marine environment” [Comhairle nan Eilean Siar]

**Quota should be allocated where there is a need**

Some supportive responses stated that there should only be Special Allocations for species which will be utilised by non-sector vessels.

“I think it is right that some of the quota should be given to help the under ten fleet. It should be a block allocation and must be given on the basis of stocks they are short of quota for just now.” [Individual - anonymous response]

“Rather than fully utilized stocks such as North Sea cod and saithe, stocks that are not under pressure such haddock, whiting of pollock could be possible diversification options and may be targeted by liners.” [Eastern England Fish Producers Organisation]

**Will take time to build the capacity of this sector and that quota may not be utilised**

Some respondents set out that it may/will take time for non-sector vessels to increase landings of species allocated to them. Reasoning given included: lack of experience of catching the species and lack of infrastructure to allow for catches and market.

“It is important to take into account that there will likely be an unavoidable delay in the utilisation of such additional quota, given that the non-sector vessels will have to be modified to take advantage of the new fishing opportunities that the additional allocation presents.” [Organisation - anonymous response]

“yes, it also needs to be implemented provisionally long term, this will allow investment in the infrastructure and capability to utilise the allocated quotas. nobody is going to risk investing in their business if the quota is going to be taken away hastily. a long-term plan of investment is the best approach to maintain the viability and increase the prosperity of the industry as a whole, not the select few. A fully prosperous industry is better for Scotland as a whole and its economy.” [Organisation - anonymous response]

### **Themes raised in opposing responses**

Clear themes in those opposed to this distribution methodology were that this would/could lead to an underutilisation of fishing opportunity. Associated with this underutilisation was a cost on sectoral vessels who were viewed as having a greater societal benefit.

Other clear themes were opposition to the view that non-sector vessels had a lower environmental impact and opposition on the basis that this allocation methodology did not meet the requirements of the Fisheries Act 2020.

## Underutilisation of fishing opportunity

A factor often cited in opposing responses was that quotas allocated to the non-sector have been underutilised. This was often associated with a lack of onshore facilities or market for the fish stocks caught.

“They don't catch their current allocation so there is no justification for requiring any further allocation. [Individual - anonymous response]

The non-sector fleets do not currently catch the fish that is allocated them so there is no evidence to prove that additional special allocations are required. The view of small is great and therefore more fish is required for inshore fleet is based on ideology.” [Organisation - anonymous response]

## Negative economic benefit/Impact on sectoral vessels

“Relatively, the Sector has a far greater need of the AQ allocation than the non-sector. Landings by the Sector fleet have greater economic benefit to the local communities” [Peter & J Johnstone Ltd]

“The non-sector fleet already has quota allocated to them by the government, in some cases allocated via top slicing quota from other sectors. There should be no additional special allocations where vessel do not catch the current allocation and where they do not have the species of fish in their waters. Otherwise, quota will be tied up by this form of allocation keeping in from fleets that can catch and land fish which will benefit the economy and local communities.” [Organisation - anonymous response]

## Disagree that environmental impact is lower

Some respondents disagreed that Non-Sector vessels had a lower environmental impact than sectoral ones.

“The option of making special allocations to non-sector groups (option 2) appears to be based on unsubstantiated assumptions that non-sector fishing boats, and especially boats less than 10 metres in length, have lower impacts on the environment - and greater social and economic benefits - than other sectors of the Scottish Fishing Fleet...

The consultation paper implies that only mobile fishing gears have impacts on the seabed, and that lines are ‘often’ more selective, have a lower bycatch, and a lower impact on the environment. But no transparent and objective evidence (or indeed any evidence) is offered to support any of these assertions. Further, it is demonstrably untrue to suggest that only mobile gears have effects on the environment: static fishing gear also has ‘impacts’ on the seabed, for example, as well as other undesirable environmental effects (such as entangling or catching whales, dolphins and seabirds).” [Organisation - anonymous response]

## Not meeting requirements of Section 25

Others, in particular some environmental organisations, questioned whether allocating to the non-sector met the requirements of the Fisheries Act.

“Whilst special allocations may lead to greater social and environmental outcomes because those boats are more likely to be smaller, using less impacting methods etc, this is just because of happenstance and not something that happens by definition. So, distributing this quota as special allocation neglects to account for social and environmental criteria and therefore would fall short of the duties of Section 25.” [Open Seas]

Other themes raised in responses included

- Favouring one part of the industry over another
- Overcapacity in non-sector fleet
- Vessels in non-sector should be able to lease quota
- Uncaught quota should be reallocated to sectoral vessels

### Review of Don't Know

Issues raised in these responses closely mirrored those explored above.

### Question 5 Responses

Table 5: Aggregated response to question 5: *Should these Special Allocations be focused on the 10 metre and under non-sector vessels?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	17	19%	17	22%
No	47	52%	35	44%
Don't know	15	16%	15	19%
Not answered	12	13%	12	15%
Total	91	100%	79	100%

### Themes in supportive responses

Key themes in supportive responses were that allocating to this grouping would broaden social and economic benefits whilst reducing environmental impact.

Broaden social/economic benefit

The most commonly cited factor by those advocating a focus on the 10 metre and under non-sector grouping when making Special Allocations was that it would broaden social and economic benefits:

“Yes because these are the vessels that face the biggest risks in economic terms but at the same time could reap huge benefits, that again would seek to

bolster and futureproof the entire industry rather than a handful of main stakeholders who would hoard the wealth rather than see many prosper.” [Organisation - anonymous response]

“It'll keep small boats working in remote area” [Individual – anonymous response]

### Reduced Environmental Impact

Some set out that smaller vessels had a lower environmental impact than larger vessels and should therefore be prioritised

“...They also typically have the lowest environmental impacts, and are therefore most likely to meet the requirements of Section 25 of the Fisheries Act 2020...” [Organisation - anonymous response]

### Other issues raised

An issue raised in a number of responses was that provisions around the 10 meter and under non-sector should be amended. For example, some stated that the length requirement should be amended to 12 meters – in line with definitions used elsewhere. And/or that eligibility to the 10metre and under sector should be limited to those vessels operating ‘low impact gear’.

“[Organisation] does not believe that the ‘10m and under’ threshold should necessarily be the defining criterion for such allocation, as it is possible for smaller vessels to have higher environmental impacts than larger vessels. Accordingly, as noted above, the defining criteria for allocation should be social, economic and environmental factors rather than an arbitrary size limit (such as 10m or 12m).” [Organisation - anonymous response]

“However if a definition is required to discern ‘smaller vessels’, then we suggest adopting the definition of Small Scale Fisher that is used in the EU Maritime and Fisheries Fund, which defines a Small Scale Fisher as under 12 metres non-towed gear.” [Organisation - anonymous response]

### **Themes raised in opposing responses**

Many make reference previous answer and there was a repetition of theses explored in Question 4. Most prevalent were: that there had been an underutilisation of quota previously, that one fleet segment should not be favoured over others, questions over the environmental benefit; and whether this methodology aligned with the Fisheries Act 2020.

#### Underutilisation of quota previously

A common theme in responses was that fishing opportunities had been underutilised by this grouping previously:

“Under 10m fleets must be able to demonstrate that they have the ability to catch fish and subsequently contribute to the economy. It is often stated by those who lobby for additional quota to be allocated to under 10m fleet that this would re-energise a new fleet of fishermen or turn around the fortunes of existing fishermen. If this was the case by all who lobby for it then why don't they catch their current allocation of quota. In some case it is that the fish are not in their waters and the infrastructure required for a successful fishing industry isn't these. AQ will not solve these problems in itself. I refer you to the [Shetland Fishermen's Association policy paper](#) which explains a better roadmap for creating a successful inshore fleet, as has been achieved in Shetland” [Organisation - anonymous response]

One segment of the fleet should not be favoured over others

Some believed that no one grouping of fishing vessels should be favoured over others

“Again, the government seems to be labouring under the unevidenced impression that an under 10m vessel is somehow better and more deserving than a vessel over 10 metres. In reality, those smaller boats rely on the infrastructure servicing other more economically efficient fleet segments. The government should not be so blatantly favouring one fleet segment over others. In a mixed whitefish fishery, with quotas for several species tight and creating chokes, giving more quota to the u10m fleet will only exacerbate these problems elsewhere...” [Organisation - anonymous response]

Question the environmental benefit

Some respondents questioned the environmental benefits from the 10 metre and under sector. With suggestions that other sectors of the industry had a lower environmental impact:

“There has been a lobby which states smaller vessels should be favoured ahead of larger vessel due to a belief that they have a lower environmental impact. However, these statement are unsubstantiated. In fact recent figures in Shetland show that large pelagic vessels have a lower carbon footprint than smaller inshore vessels who prosecute mackerel when compared.” [Organisation - anonymous response]

Should be linked to environmental criteria

A number of respondents stated that allocating to the 10 metre and under non-sector did not fulfil the requirements on the Scottish Government.

“...However, distributing to this group of vessels without further conditions applied is not an approach which includes criteria relating to environmental, social and economic factors, nor is it one which seeks to incentivise the use of selective fishing gear, and the use of fishing techniques that have a reduced impact on the environment..” [Organisation - anonymous response]

## Review of Don't Know

Many such respondents referenced other answers provided or themes raised mirrored those explored above, particularly utilisation.

## Question 6 Responses

Question 6 was: *What stocks should we award to the non-sector? Please provide reasoning for your answer.*

In this question we sought views on what species should be available to the non-sector. Responses highlighted a range of species. These included:

- Stocks which can be utilised by the non-sector
- Mackerel
- Herring
- Pelagic stocks
- Cod
- Whitefish
- Saithe
- Ling
- Pollock

## Question 7 Responses

Table 6. Aggregated responses to consultation question 7: *Should any of the previous Special Allocations be increased/ decreased?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	12	13%	12	15%
No	38	42%	26	33%
Don't know	23	25%	23	29%
Not answered	18	20%	18	23%
Total	91	100%	79	100%

As reflected in responses provided to the questions above, the uptake of quota stocks allocated to the non-sector varies. Some, such as North Sea cod and mackerel have high uptake while for others uptake is lower. We sought views on whether tonnages provided in Special Allocations previously should be varied – either increased or decreased.

Again for this answer a large number of respondents chose not to answer or selected 'Don't Know'.

## Themes in supportive responses

A number of responses set out that allocation should be based on uptake of stocks by the non-sector. Another theme was that allocation should vary in line with TAC

“Where there is under or no utilisation these should be reduced, where there is a perceived need to increase further consultation on why the need has risen should be undertaken and whether this is benefits the wider fleet or a few individual operators. Operators that are continually reaching limits of non-sector allocations should be encouraged to join the sector, or potentially consideration should be given allowing them to lease in quota to cover their needs beyond their allocation.” [West of Scotland Fish Producer’s Organisation & Orkney Fish Producer’s Organisation]

### Themes in opposing responses

Again many referred to answers provided elsewhere. Issues around underutilisation of quota featured prominently and potential loss social/economic benefits. One new theme was that non-sector fleets were perceived as being ‘part-time’ fishers.

“I feel the figures given to these fleets should not be increased. Some of the fishers are part time and already have a good income.” [Individual – Anonymous Response]

### Review of Don’t Know

A significant portion of respondents to the consultation did not answer this question or selected ‘Don’t Know’.

Some, particularly eNGOs responded that they were not clear of the meaning of the question.

### Question 8 Responses

Table 7. Aggregated response to question 8: *Should the Special Allocation be a fixed tonnage (no year-to-year change in the tonnage available to these groups) or a fixed percentage (delivers an output commensurate to Scotland’s share)?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Fixed tonnage	4	4%	4	5%
Fixed Percentage	32	35%	30	38%
Other	23	25%	13	16%
Don’t know	15	16%	15	19%
Not answered	17	19%	17	22%
Total	91	100%	79	100%

Here, we sought views on whether the tonnage available as Special Allocations should be a fixed tonnage (no year-to-year change in the tonnage available to these groups) or a fixed percentage (the percentage available to the non-sector would change in line with Scotland’s share of the available quota)?

A fixed tonnage would allow for greater certainty for fishers as to what their permitted fishing opportunity would be. A fixed percentage would see the tonnage available vary in line with TAC variations.

### **Fixed tonnage**

Two responses advocating a fixed percentage went on to give reasoning for their response. Both stated that a fixed amount would be more fairer on sectoral vessels

“The vessels under most pressure are the full time over ten PO sector fleet. So a tonnage to help under ten should be fixed and left at that.” [Individual - anonymous response]

### **Fixed percentage**

Many again referred to previous answers.

Where new themes were raised the most common view expressed in support of a fixed percentage was that variations in available TAC should be replicated across the different sectors

“Percentage is best as there is no argument. Fixed tonnage becomes a problem when the AQ amount becomes less and others amounts also come down but the the fixed tonnages stay the same and its creates headaches for marine scotland.” [Individual - anonymous response]

“Although a fixed tonnage would offer an element of consistency which would make investment from the small scale non sector vessels more likely it is the case that fishing opportunity should directly relate to species abundance and accordingly if fully utilised a fixed tonnage could work against the interests of the non sector fleet.” [Organisation - anonymous response]

### **Other methodology**

Many chose the option ‘other’.

Stated the option chosen should take account of catching capacity/ concern about underutilisation of non-sector vessels which is explored elsewhere. There was also a view that ‘day boats’ should not be covered by quotas:

“...there should be a ranking of business types and fishing methodology; fixed gears on "day boats" should have no limits of any type (based on thier ability to do only good in all measurements), large vessels with towed gear and overseas crews should not receive any (as they are very damaging both environmntally and economically). Inbetween these groups there should be a ranking of vessel/crew factors.” [Individual - anonymous response]



## Review of Don't Know

Many referred to previous answers. Where comment was provided this was consistent with themes explored above – particularly that TAC fluctuations needing to be felt across the different sectors.

## Question 9 Responses

Table 8. Aggregated response to consultation question 9: *Should the Scottish Government have the capacity to vary the tonnages available to the non-sector from year to year, so as to increase tonnages for stocks where there is clear demand and vice-versa?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	24	26%	24	30%
No	44	48%	32	41%
Don't know	11	12%	11	14%
Not answered	12	13%	12	15%
Total	91	100%	79	100%

## Themes in supportive responses

Again, many respondents referred to previous answers. Those in support of this options often cited a need for flexibility in quota availability and that this would bring social/economic benefits. Others, though supportive stated that the requirements of sectoral vessels needed to be considered.

### Need for flexibility in quota availability

“Absolutely, otherwise, it begs the question of its purpose, if not to be able to decide how to effectively and fairly distribute quotas within Scotland’s waters.” [Organisation - anonymous response]

“[Organisation] believes that such flexibility is important as it would enable the non-sector vessels to respond to market demand. This would ensure that socio-economic benefits could be maximised. However it must be stressed that any such variation in tonnages should not conflict with the incentivisation of lower impact fishing.” [Organisation - anonymous response]

### Requirements of other sectors needs to be considered

“In cases where stocks are not generally fully utilised allocation may be increased. In cases where the allocations are not fully generally fully utilized, but there is demand within other parts of the fleet, they should be reduced. This helps to ensure a rational economic use of the resource.” [Eastern England Fish Producers Organisation]

## Themes in opposing responses

Those opposed focused on the impact that variation would have on other sectors of the Scottish fleet and that a fixed percentage would allow for predictability for vessels.

“Only by fixed percentage allocation. By experience, by the time the demand is there, and the different mechanisms start turning and the changes are actually made, the demand is gone.

Using fixed percentage and being clear on that, the end users know what they have to work with for the year and will be using that to spread their quota out for the year. By allocating more to the under 10's, i imagine it will take away for the larger fleet therefore upsetting their business plan for the year.”

[Individual Responses Anonymous]

“Such an approach would create instability and a vulnerability” [Organisation - anonymous response]

## Scottish Government Response to Questions in Option 2

Question 4 explored whether Special Allocations should be made available to the non-sector and then Question 5 whether these allocations should be focused on 10 metre and under non-sector vessels only.

The SG sees merit in many of the themes put forward in supportive responses for these questions.

We agree that distributing to the non-sectors brings **social** and **economic** benefit as it broadens the number of vessels able to target quota species for which there is AQ (in comparison with many other options presented in this consultation).

Many respondents highlighted that non-sector vessels and 10 metre and under non-sector vessels in particular help support coastal communities and AQ offers an opportunity to increase the resilience of these vessels. It is important to note – as some respondents did - that these vessels make up the vast majority of the Scottish fleet. For example, 1% of Scotland’s mackerel quota is allocated to the non-sector fleet benefiting around 300 vessels. This compares to the remaining 99% which is landed by 21 vessels.

It was noted that non-sector vessels overwhelmingly land into Scottish ports and therefore provide for an additional benefit from this catching opportunity and that the non-sector offers a more realistic method of entry into the fishing industry for new entrants.

Those who selected ‘no’ to Questions 4 and/or 5 often stated that allocating to these vessels could result in less **social** and **economic** benefit than other allocation methodologies (especially HTR). Most often cited was that fishing opportunities were often underutilised by the non-sector – with the resultant loss of potential benefit to

vessels which could have caught the fishing opportunity, and the communities they support.

The Scottish Government recognises that in some instances quota opportunities made available to the non-sector have been underutilised. We would note – in line with some supportive respondents – that unless these opportunities are made available to non-sector vessels, then vessels will not have a basis for seeking to take up this fishing opportunity. We would also note that the Scottish Government has moved to reallocating fishing opportunity from the non-sector to sectoral groups during the year to allow for sectoral vessels to benefit from any fishing opportunities which are being underutilised.

We also recognise that the non-sector has not had the same opportunity to gain access to fishing opportunity as other sectors have (through exchanges of quota).

Many supportive respondents set out that allocating to non-sector vessels offered a reduced **environmental** impact relative to other sectors. The UK Fisheries Administrations and many other Governments distinguish between smaller fishing vessels and larger vessels (which generally have a larger catching capacity and are capable of fishing for greater lengths time) in the allocation of fishing opportunities. It can also be seen that various pieces of legislation and regulation limit or prohibit vessels of a larger size or engine power from operating in inshore waters, again to reduce fishing effort by larger vessels which are seen as having larger catching capacity and greater potential impact on the marine environment. Non-sector vessels are associated with fishing techniques that can have a lower impact on the marine environment – though this was disputed by some.

It should be noted that some eNGOs whilst supportive of the allocating to the non-sectors, stated that this should explicitly be for methods of fishing with a 'lower environmental impact'.

Some respondents – primarily those associated with sectoral vessels - disputed that non-sector/ 10 metre and under vessels did have a lower environmental impact than sectoral vessels. Referenced in this was the carbon footprint of non-sector vessels versus larger vessels and also the impact on the marine environment of different fishing gears. Some opposing respondents also commented that it was essential to note the high standards expected of vessels operating trawled fishing gear and considerable improvements made in recent years.

There are merits in both positions. Though it may be generally the case that larger vessels have a greater fuel consumption than smaller vessels – the cumulative impact of many more small vessels may be larger than a small number of large vessels. In recent years great strides have been taken to lower the environmental impact of trawl fishing, with regulations around gear size, selectivity measures and seasonal/permanent closures for fishing spawning grounds. There is also a lack of definition in what is a 'low' or 'lower' impact form of fishing.

In questions 6, 7, 8 and 9 views were sought on specifics on allocating any AQ to non-sector vessels. Again split views emerge, with a focus on the costs of

underutilisation as compared to a need for non-sector vessels to have confidence that the fishing opportunity will continue to be available to facilitate diversification.

However, while trying to balance the economic benefits that full uptake brings, the Scottish Government does want to encourage greater opportunities in the 10 meter and under non-sector, especially for those species where there is strong uptake.

In relation to the actual operation of the non-sector, we note with interest views expressed on how its structure could be reformed. In particular over whether the characteristics for applicability are appropriate. A review of the non-sector is to take place as part of the Future Fisheries Strategy body of work.

## **Option 2 Outcome**

- The SG will make Special Allocations of AQ available to non-sector vessels.
- This will be focused on the 10 metre and under sector which make up the majority of the Scottish fleet. These vessels, in general, have a lower catching capacity per-vessel than larger operators and are made up of a greater portion of vessels operating static gear.
- This will focus on mackerel, cod and saithe for which there has been very good uptake in recent years. For other stocks we will look to maintain initial allocations to allow for growing uptake of these stocks.
- We will allow for some line mackerel fishing opportunity for the over 10 non-sector grouping.
- Allocations for other stocks will be in line with allocations in recent years.
- For some stocks we will adopt a minimum tonnage of AQ to offer a minimum available quota each year for non-sector vessels.
- Where there is evidence that stocks allocated to the non-sector are going to be underutilised these opportunities may be given to sectoral vessels or exchanged for other fishing opportunities.
- The SG will also be reviewing the non-sector pools to establish whether amended criteria for membership of these pools should be introduced. This will include whether vessel numbers should be capped, whether engine power limits should apply and whether certain forms of fishing should be restricted.

### Option 3 - Allocation Of Fishing Opportunities Equally Between All Vessels Or A Section Of Vessels

Option 3 explored distributing AQ evenly between all Scottish registered commercial fishing vessels, or a specific segment of the fleet (large commercial pelagic vessels). For further details please see the consultation document.

#### Question 10 Responses

In question 10, we wanted views on whether Scotland's share of AQ should be distributed on an equal basis between all active fishing vessels. This would see all active Scottish registered vessels being allocated an equal share of the available AQ opportunities.

Table 9. Aggregated responses to consultation question 10: *Should AQ fishing opportunities be distributed on an equal basis between all active commercial fishing vessels?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	13	14%	13	16%
No	73	80%	61	77%
Don't know	2	2%	2	3%
Not answered	3	3%	3	4%
Total	91	100%	79	100%

In general there was a strong negative reaction to the proposal that AQ be allocated equally between all active Scottish vessels

#### Themes in supportive responses

Few supportive responses went on to give detailed reasoning in their responses. In the extracts below we see the themes around using AQ to widen fishing opportunities, that this methodology can improve socio-economic returns and it allows for diversification in fishing opportunities.

There was a view in supportive comments that access to fishing quotas was too limited that the benefits arising from fishing opportunities should be spread further and that this would allow for diversification away from other fisheries.

“Perhaps if a vessel had pelagic quota it would allow them to catch fish, and diversify at times of year taking pressure away from elsewhere, much like the Irish polyvalent system” [Individual - anonymous response]

“The current method seeks only to undermine the prosperity of the WHOLE industry for the benefit of a select few along with flag of convenience/vessels. Increased fishing opportunities for more vessels across the board will have nothing but a huge socio economic benefit to the Scottish fishing industry and trickle through to other industries which have both direct and indirect links. For

example logistics, foodservice & hospitality sectors.” [Organisation – anonymous response]

In a modification of the proposal set out in the consultation document, a number of responses called for pelagic species to be allocated to the Scottish fleet on an equitable basis (or that where stocks are located in a specific region, the stock should be equitably distributed to vessels in that region).

“With the vast majority of quota available being pelagic, and pelagic species being widespread around our coastline there is no issue with allocating this to the entirety of the Scottish fleet on an equitable basis. The argument of not catching the entire quota of fish fully should not be of concern, as this is additional quota which will not impact the profitability of the existing pelagic fleet. If the stocks aren’t caught they remain in our seas to breed and improve the health of our stocks. However, equitable distribution across the fleet could make a positive difference to the profitability of some smaller vessels. Where stocks are specifically located in a certain region this should be evenly distributed to the vessels in that region. With pelagic species being distributed throughout the whole Scottish coastline, this does not apply to these species.” [Comhairle nan Eilean Siar]

### **Themes in opposing responses**

The vast majority of respondents opposed this distribution method. Prevalent in the reasoning of those opposed to the distribution method were the following themes:

- It would result in vessels being allocated quota for stocks which they are unable to catch with resultant loss in socio-economic opportunities.
- It would result in an increase in quota leasing.
- Questions as to how this distribution methodology aligned with the criteria set out in the Fisheries Act.
- Would not prioritise vessels using low impact gears and methods

These themes are explored in the extracts below:

Vessels being allocated quota for stocks they are unable to catch

“...Therefore, there is little point in allocating mackerel quota to a scallop dredger, or monkfish to an u10m jigger – especially when they would end up receiving such insignificant amounts of quota, shared out on such a wide basis, that it would not make any financial sense for them to buy and install the new fishing gear necessary for them to attempt catching it. (This does not even account for skill/knowledge required, or the safety implications of – for example – targeting a species in deeper water than your vessel might be intended for.)” [Organisation - anonymous response]

“This will allocate fish to vessels that don't need it and this will create increased leasing of AQ.” [Peter & J Johnstone Ltd]

“Quota divided out in this way will be wasted and lost to the system every year, resulting in little benefit to anyone.” [Organisation - anonymous response]

#### Increase leasing of quota

“While boats that cannot use a quota allocation might in theory be able to trade it with other boats the challenge for the government and other organisations of administering hundreds (if not thousands) of quota trades would be immense and should certainly not be underestimated.” [Organisation - anonymous response]

“This would not be sensible. It would almost certainly lead to the government not maximising the return of AQ to the economy and some vessels trading AQ instead of fishing it.” [Organisation - anonymous response]

#### Does not meet requirements of Fisheries Act

“...Further, as stated previously, equal distribution across all active vessels does not conform with Section 25 of the Fisheries Act 2020 to incentivise low-impact fisheries related to social, economic and environmental factors...” [Organisation - anonymous response]

“This is not an approach that will comply with duties under the UK Fisheries Act (Section 25(3)) nor the Joint Fisheries Statement; it is not an approach that incorporates criteria relating to environmental, social and economic factors and is not an approach that seeks to incentivise the use of selective fishing gear and the use of fishing methods that have a reduced impact on the environment. Neither will it help ensure that the correct environmental protections are in place to address the twin crises of climate change and biodiversity loss.” [Organisation - anonymous response]

#### AQ should be targeted at vessels using low impact gear/smaller vessels

“It would be preferable if AQ is prioritised for those fishers who utilise low impact gears and methods.” [Organisation - anonymous response]

“the smaller vessels should be given the first opportunity to use the AQ, anything not used by this sector may then be given to other vessels, as the U10 fleet are very seasonal in their exploitation then anything left over after they have had their chance could be passed on to the larger vessels if this advantageous from a TAC perspective” [Individual – anonymous response]

#### **Review of Don't Know**

Those who answered this way provided reasoning broadly in line with the themes explored in the section above.

#### **Question 11 Responses**

Table 10. Aggregated responses to consultation question 11: Should pelagic AQ fishing opportunities be distributed equally between the recognised pelagic fleet (as set out above)?

In this question we sought views on whether pelagic species alone should be distributed equally between those vessels catching significant quantities of pelagic species (21 active vessels).

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	34	37%	31	39%
No	44	48%	35	44%
Don't know	6	7%	6	8%
Not answered	7	8%	7	9%
Total	91	100%	79	100%

### Themes in supportive responses

The key themes cited in supportive responses were: that allocating pelagic quota on an equal basis would be fairer on all of the eligible vessels (currently 21). Advocates also felt that this would reward the active fishing industry and that the structure of the pelagic sector was different to other sectors of the fishing fleet

“As noted above (Q.10), we generally feel that additional quota should be distributed to boats that are actually able to utilise it.

This is especially true of pelagic quota, where the amounts of AQ available are relatively large, but only a small segment of the Scottish fishing fleet is capable of catching that fish. So, we feel that the bulk of additional pelagic quota should be distributed between the recognised pelagic fleet.”  
[Organisation - anonymous response]

“The AQ should be allocated equally between the active pelagic vessels as there is no historical right to that quota. It should be a clean slate and allocated equally” [Individual - anonymous response]

“Pelagic AQ has a demonstratively higher allocation when compared to other species so given that the fleet is small it is sensible to equally distribute pelagic AQ fishing opportunities between all vessels holding a pelagic licence.” [Individual - anonymous response]

### Opposing responses

The key themes prevalent in opposing responses were:

- Allocating pelagic quota in the way proposed was unfair and or would limit the potential benefits arising from pelagic quota
- The allocation of quota in this way went against the criteria set out in the Fisheries Act 2020.
- Distribution of quota in this way would allocate quota to vessels for fisheries in which they have no track record



These themes are explored below:

Unfair and or would limit the potential benefits arising from pelagic quota

“The Scottish Government should see this unique opportunity for what it is - a chance to re-establish pelagic fisheries in our smaller coastal ports, reduce food miles, and increase food security in our rural areas. We can keep the fish caught in our Scottish waters to be processed in our country and add value to our economy and port infrastructure. This opportunity should be fostered and allowed to develop rather than prioritize a pelagic fleet that currently benefits disproportionately from existing quota distribution methods. These vessels deliver millions of pounds worth of fish to foreign ports annually, resulting in lost revenue to Scotland. To prioritise a mere 21 (already exceptionally prosperous) vessels with such a rare opportunity is appalling! There should not be any additional quota issued to these vessels, as the pelagic quota system is already flawed - benefiting the very few rather than the many.”  
[Comhairle nan Eilean Siar]

Goes against the criteria set out in the Fisheries Act 2020

“Allocating this quota to any fleet segment equally would be a clear breach of Section 25 of the fisheries Act as there would obviously be no incentivisation of lower impact fisheries or allocation on social, economic or environmental criteria.” [Organisation - anonymous response]

“Simply allocating quota - including AQ - to an entire fleet segment (in this case the pelagic fleet) without consideration of social, economic and environmental factors would be a breach of the requirements set out by Section 25 of the Fisheries Act 2020, given that the Scottish Government must incentivise low-impact fisheries as priority.” [Organisation - anonymous response]

Would allocate quota to vessels for fisheries in which they have no track record

“..in the case of ASH and Blue Whiting, this would allocate quota to vessels that have no history in these fisheries.” [Peter & J Johnstone Ltd.]

### **Review of Don't Know**

Some suggested in their responses that pelagic quota could be used as currency to allow for fishing opportunities in the demersal sector which had not seen the same increases in quota opportunity as a result of Brexit.

“there is perhaps scope to withhold some mackerel AQ to use in currency at the annual quota talks to get a better deal for the demersal sector. the pelagic sector has benefited greatly from brexit whereby the demersal sector has not.”  
[Individual - anonymous response]

“Pelagic sector received vast majority of AQ and if some of the windfall can be of directed to helping other sectors I would be in favour of using a proportion so that there is a more balanced outcome for all” [Individual - anonymous response]

### **Scottish Government Summary Response to Questions in Option 3**

In question 10, we wanted views on whether Scotland’s share of AQ should be distributed on an equal basis between all active fishing vessels.

In terms of **social** and **economic** considerations, this allocation methodology would allow for access to the AQ fishing opportunities to a wider group of vessels than others and therefore offers potential fishing opportunity to a greater pool of vessels.

However, as highlighted in responses, this approach would have resulted in vessels being allocated fishing opportunities which they could not fish and potentially result in underutilisation (a loss of economic opportunity) or a significant increase in swaps of quota with resultant costs to businesses and government in dealing with subsequent loss of fishing opportunities.

Turning to **environmental** criteria, opponents often criticised this allocation methodology as it placed no real emphasis on any environmental criteria. Other than diversification away from shellfish stocks or that the underutilisation of fishing opportunity would benefit fish species. There was little focus in supportive responses on environmental criteria.

#### **The Scottish Government will not be allocating AQ on an equal basis to all vessels.**

In question 11, we sought views on allocating pelagic species to recognised pelagic vessels (of which there are 21). Some supporters of the proposition spoke of the large quantities of pelagic quota available and the small number of vessels able to catch these large quantities. There were also suggestions that it was fairer on the vessels involved in these fisheries.

Though supportive respondents offered little evidence to support the proposition in terms of **social** and **economic** benefits, it can be seen that – for mackerel and herring anyway - these vessels have a proven ability to catch these species and would therefore be able to utilise the resultant fishing opportunities. The catching of these species would result in economic and social benefit to those vessels catching the stocks and for mackerel and herring the new economic link provisions introduced in 2023 will help ensure wider societal benefit.

There was limited reference to potential environmental benefits in supportive responses, though having quota opportunity concentrated in a few large vessels could help reduce carbon emissions in comparison to a much larger fleet of smaller vessels.

Opponents of this distribution methodology set out that distributing pelagic quota this way would limit the potential benefit of pelagic quota to a very small number of

vessels and therefore limit the social and economic benefit. Many respondents set out a view that pelagic quota had been one of the few areas where there had been significant quota gains as a result of Brexit and the resultant benefit should not be restricted to those fortunate businesses with access to significant quantities of pelagic species.

Many also stated that it did not take into account environmental considerations.

Having considered, the Scottish Government will not be allocating pelagic quota on an equal basis to the 21 recognised vessels as a default allocation methodology.

However, as per the consultation document the Scottish Government recognises two sources of AQ:

(i) Quota which represents the increased amount of the UK's permanent share of quota following EU exit. That is: the change in 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). These transfers will arise through yearly negotiations, are not permanent, and may fluctuate from year to year.

Where we get transfers of quota from other Coastal States, this can happen at short notice and the fishing opportunity needs to be utilised in the year the swap takes place – meaning that any additional administrative delay in allocating the quota could result in lost fishing opportunity.

Therefore the Scottish Government will retain the option to allocate quota transfers to the UK from other coastal states on an equal basis between selected vessels which have met a required minimum landing.

This applies not just to pelagic quota but any quota stocks for which we receive inward transfers.

For example, this would mean:

For transfers involving mackerel:

- All sectoral vessels which meet a required minimum tonnage of the species in a set time period would be allocated the same tonnage of mackerel.
- These vessels must meet the definition of 'active' vessels for AQ.

The same principle will apply to other species transferred.

Further, many respondents identified that quota gains for pelagic species had been one of the few areas where there had been significant fish quota gains as a result of leaving the EU. Other key whitefish gains have not seen similar increases in tonnage terms. Having considered, the SG also proposes that where it can identify an

opportunity to utilise a small proportion of pelagic quota, we will consider using this to exchange for fishing opportunities for other sectors of the fleet.

### Option 3 Outcome

The Scottish Government will not routinely share AQ on an equal basis between eligible vessels, but retains the option to do so in circumstances outlined above.

### Option 4 : Landings into Scottish Ports

In Option 4, we sought views on whether landings into Scotland should be used as a basis for allocating AQ (Question 12) and posed questions in relation to the workings of such a distribution methodology (Question 13, 14, 15).

### Question 12 Responses

Table 11. Aggregated responses to consultation question 12: *should landings into Scotland be used as a basis for allocating AQ?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	24	26%	24	30%
No	58	64%	46	58%
Don't know	6	7%	6	8%
Not answered	3	3%	3	4%
Total	91	100%	79	100%

### Themes in supportive responses

A clear, consistent view from supporters of the distribution methodology was that basing the allocation of AQ on landings into Scotland would have clear socio-economic benefits.

“Yes this would encourage vessel to land local and help local economies which could benefit a wide range of people” [Individual - anonymous response]

“Yes to provide further incentive to maximise landings into Scotland....” [Organisation - anonymous response]

“... The loss of fish stocks landed to foreign ports has a detrimental effect on our coastal towns and the inshore fishing fleet in particular. This could be avoided by issuing the additional quota to smaller inshore vessels that would not have the ability to transit to foreign ports to land Scottish caught quota stocks.” [Comhairle nan Eilean Siar]

Others, particularly eNGOs, supported the allocation of AQ on the basis of landings into Scotland but stated that this needed to be combined with other allocation methodologies which took account of environmental criteria.

“[Organisation] is supportive of sustainable, locally sourced seafood that provides local benefits and supports the local economy through the supply chain. Where the allocation of additional AQ can meet this ambition then we would support landings into local ports in the interests of maximising local benefits, and as an opportunity to use as part of supporting a just transition to more sustainable, climate and nature smart fishing.” [Organisation – anonymous response]

“However within the context of incentivising lower impact gears and avoiding encouraging further monopolisation it should be incumbent on anyone accessing this AQ that they land 100% of their catch in Scotland. The reason for this is that fishing opportunity should be allocated on the basis of Social, economic and environmental criteria and any vessel landing in Scotland as opposed to landing outwith Scotland will produce superior social, economic and environmental outcomes by ensuring that GVA and downstream jobs in Scotland result from these landings.” [Organisation - anonymous response]

### **Themes in opposing responses**

A theme particularly prevalent in opposing responses was that the [Scottish Government’s economic link conditions](#) already covered provisions around the landing of key species into Scotland so this additional provision around landing into Scotland was not necessary/fair.

“As stated in the document Scotland already has since 2023, enhanced Economic Link conditions for our most economically important species and to further enhance these for the portion of AQ would seem to be an over complication of both the Economic Link and Quota Allocation processes.” [West of Scotland Fish Producer’s Organisation & Orkney Fish Producer’s Organisation]

“The Scottish Government has already implemented legal requirements for Scottish fishing boats to land proportions of their catches in Scotland. Given which, it is not clear why it might be appropriate or necessary to also make this a criteria for allocating additional quota. Nor is it clear what it is thought this would achieve, over and above the purpose of the existing legislation.” [Individual – anonymous response]

Other themes raised included:

Businesses should be able to land in accordance with market conditions/economic impact on vessels if landing into Scottish ports and receiving a lower price than could be obtained elsewhere:

“This would stop fishermen from making business decisions on where to fish throughout the whole of the UK.” [Individual - anonymous response]

“Again please refer to our answer to Question 1 whereby our preference is HTR. This option may have unintended consequences in curtailing business decisions if they are only allocated AQ on this basis. Market conditions will

dictate where vessels land.” [North East of Scotland Fishermen’s Organisation]

Scottish processors do not have the capacity to process additional fish

“There should be no restriction on where the AQ is landed. The Scottish factory’s can not cope with the landing obligation. Boats are having to wait days to land as the factory’s are full. It gives the Scottish factories the power to dictate the price as the know the vessels have to land into Scotland which gives the factory’s a monopoly to dictate the price.” [Individual - anonymous response]

Give processors power to dictate price/ some processors aligned with vessels and may have advantage:

“It gives the Scottish factories the power to dictate the price as the know the vessels have to land into Scotland which gives the factory’s a monopoly to dictate the price...”

... there is a landing obligation is should be for the total amount of fish landed into the uk not per individual vessels.” [Individual - anonymous response]

“It is also most advantageous for companies which own pelagic processing factories creating a competitive advantage for these companies.” [Individual - anonymous response]

Need to be combined with other distribution methods

“Although this option might deliver better economic outcomes for Scotland, using this as the sole basis for allocating quota without further conditions applied is not an approach which includes criteria relating to environmental, social and economic factors. The national benefit objective requires Scotland to benefit from its fishery, one way of securing that is for fishers to pay for access, if that is not to be the case special grounds will need to be made which demonstrate how the people of Scotland are going to benefit from the use of their resource. These grounds will need to be transparently made (under the transparency principle in the JFS)..” [Organisation – anonymous response]

## **Review of Don’t Know**

Prevalent in this category was the view that this distribution methodology in isolation would not be sufficient to comply with the requirements of Section 25 of the Fisheries Act 2020 and also the impact on businesses to land as they would wish

“Landings into Scotland should not be the principle basis of allocating AQ. Rather, the basis - as aforementioned - should comply with requirements under Section 25 of the Fisheries Act 2020 and encompass social, economic and environmental criteria, and incentivise low-impact fisheries.” [Organisation – anonymous response]

“AQ should be allocated to vessels landing into Scottish ports to maximise the economic benefit to Scotland; however it should not be used as the sole criterial. Quota must be allocated in line with section 25(3) of the UK Fisheries Act: "When distributing catch quotas and effort quotas for use by fishing boats, the national fisheries authorities must seek to incentivise—(a) the use of selective fishing gear, and (b) the use of fishing techniques that have a reduced impact on the environment (for example that use less energy or cause less damage to habitats).” [Organisation - anonymous response]

### Question 13 Responses

Table 12. Aggregated responses to consultation question 13: *Should AQ for those species covered by economic link licence conditions be excluded from this allocation criterion?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	33	36%	23	29%
No	32	35%	32	41%
Don't know	16	18%	14	18%
Not answered	10	11%	10	13%
Total	91	100%	79	100%

### Themes in supportive responses

The majority of responses were in favour of this proposal. However, a significant number of those supportive of this proposition were opposed to the principle allocating AQ based on landings into Scotland, but, if this were to be used then species already covered by the economic link condition should be excluded

“Yes, but we disagree that the criterion should be applied at all for reasons given in answer to Qu12.” [East of England Fish Producers Organisation]

“There is some merit in excluding species that are already under the economic link conditions but not my answer to Q12 where we don't like the idea of using landings as a method of allocating quota.” [Organisation - anonymous response]

“Why would this be necessary given the catches are already subject to economic link conditions.” [Organisation - anonymous response]

### Themes in opposing responses

The overriding theme in responses that said ‘no’ to the proposal was that it would reduce the potential economic benefit:

“All the AQ should be landed in Scotland to ensure maximum benefit is achieved within the various coastal communities to develop new markets and

create additional opportunities, in particular amongst vessels that will use selective and low impact methods to catch the AQ.” [Western Isles Fishermens’ Association]

“All vessels which receive quota, should be able to provide an economic link and benefit the Scottish industry otherwise there is absolutely no sense in allowing a 'giveaway/free for all” [Organisation – anonymous response]

### Themes in Don’t Know

Though a significant number of respondents selected Don’t Know little new or additional reasoning was given that was not explored in the sections above.

### Question 14 Responses

Table 13. Aggregated response to consultation question 14: *Are there any stocks which should be excluded from this provision and if so, why do you think this should be the case (for example, if there is only a limited domestic market)?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	37	41%	27	34%
No	20	22%	20	25%
Don't know	17	19%	15	19%
Not answered	17	19%	17	22%
Total	91	100%	79	100%

A range of stocks were suggested by respondents:

- All stocks covered by economic link provisions
- Pelagic species
- Blue whiting
- Atlanto-Scandian herring

### Themes in opposing responses

Again, many respondents referred to previous answers – particularly those opposed to the principle of landings into Scotland being used as a basis for allocating AQ.

Others were opposed on the basis that landings of stocks bring socio-economic benefit. Some stated that this could discourage the development of domestic markets:

“All stocks should be included. In the first instance AQ should be supplied to all domestic markets, with any surplus distributed to other market destination which is already being done with many shellfish stocks, after being landed into Scottish ports for final distribution to other global markets.” [Western Isles Fishermens’ Association]



“Having a little domestic market for a species should be of no relevance, all that means is allowing other nations to capitalise on our nations resources for Zero economic benefit. The fish could still be landed and processed in Scotland before export, which would provide or create jobs in the sector.”  
[Organisation – anonymous response]

“Additional quota should be allocated as per the legal provisions in the fisheries act; specifically on the basis of social, economic and environmental criteria and with a view to incentivise lower impact fisheries.

Markets build up and develop to exploit opportunities as confidence in the long term availability of raw material is established, so a domestic market can be anticipated” [Organisation – anonymous response]

## Review Don't Know

Again a significant proportion in this category referred to previous answers, or referred to themes explored above. For example, the quotes below explore the market/business implications on individual vessels of rewarding those vessels which land into Scottish ports.

“Forcing Scottish vessels to land into Scotland is enabling the Scottish processors to dictate the price.  
Prices in Norway can be up to £200 more per ton than in Scotland.  
Which is depremental to the Scottish pelagic fleet.  
Enforcing the shortish fleet to land into Scotland isn't boosting the economy, pelagia Shetland is owned by a Norwegian company.  
So basically you are taking money from Scottish vessels to go to a company that is in Scotland but owned by Norwegians  
This doesn't make sense” [Individual – anonymous response]

## Question 15 Responses

Question 15 - *Over what time period should vessels' landings into Scotland be a reference for this allocation method? - Please provide reasoning for your answer.*

Some of the suggested periods for basing a qualification period for access to the AQ quota were as follows:

- 2020 onwards
- 2021 onwards
- Last five years
- Prior to the introduction of amended economic link provisions
- 2020-2022
- 12 months
- Rolling 5 year period
- 3-5 year reference period
- 2015-2019 same as Historic Track Record option

## Question 16 Responses

Table 14. Aggregated response to consultation question 16: *Should there be a minimum qualifying percentage of landings for individual stocks into Scotland? - What percentage of landings of an individual stock into Scotland would be required to be eligible for a share of AQ?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	19	21%	19	24%
No	44	48%	32	41%
Don't know	11	12%	11	14%
Not answered	17	19%	17	22%
Total	91	100%	79	100%

### Themes in supportive responses

Those supportive of the proposal that landings into Scotland be used as a basis for distributing AQ (question 13) were almost totally supportive of the concept that there should be a minimum qualifying percentage of landings for individual stocks into Scotland.

A range of percentages were put forward, however, 100% was most frequently proposed. As highlighted in this example,

“It should be 100%. With the pelagic fleet holding large tonnages, even a small percentage represents a large amount of revenue lost to the Scottish economy. The vast majority of smaller vessels will land locally to Scottish ports and generate revenue for fish buyers, hauliers and transportation networks. They would generate more income from their product if they could land to the international markets where their catch is destined. However, the scale of their operation dictates that they cannot do so – therefore, why should the much larger vessels be able to do so, increasing their profits and at the same time not generate as much revenue for the Scottish economy?”  
[Comhairle nan Eilean Siar]

A number responses suggested around half of landings into Scotland should be used as a basis for qualification.

“Perhaps 50%” [Individual – anonymous response]

Others suggested that the qualification amount should vary or be reviewed annually

“This should be set at 55% currently but reviewed annually.” [Individual – anonymous response]

“100%, however i fully understand that we don't as of yet have the processing capacity for this so its should be set at 5-10% higher than current and incrementally increase YOY 5%+. This would allow Scotland to follow a

similar model of Iceland, Norway and the Faroes having almost full control of all fish landed in their territories, along with pretty much all of it being processed domestically. This is excellent for the domestic market and they have a proven track record for huge export volumes across the globe.”  
[Organisation - anonymous response]

### Themes in opposing responses

Many referred to reasoning given in previous answers.

In the answer below, the respondent queried the economic and social benefits from a requirement to land stocks into Scotland

“There shouldn’t be a legal percentage to be landed in Scotland  
All money earned from Scottish pelagic vessels comes back to Scotland.  
All vessel owners and crew are Scottish.  
Scottish pelagic processors are companies that are based in Scotland but are not wholly owned by Scottish owners and are staffed by foreign workers.  
So the landing obligation doesn’t Scotland in the long run as the money isn’t staying in Scotland.” [Individual – anonymous response]

### Scottish Government Summary Response to Questions in Option 4

We agree with supporters of this distribution methodology - allocating AQ to vessels that land into Scotland brings strong social and economic benefits.

It ensures that the benefits of Scotland’s quota are felt more widely than those simply involved in the catching of the fishing opportunity, bringing benefit to onshore industries and our coastal communities. The local authority that responded, fishing associations and eNGOs generally recognised that this methodology would bring social and economic benefits.

**Economic** considerations in opposing responses most often cited the potential impact on businesses and the potential impact on wider **social** considerations in terms of employment in coastal communities. There was a clear view from opposing responses that the amended economic link provisions introduced by the Scottish Government in 2023 already achieves the goal of increasing landings into Scotland.

In terms of environmental criteria, this distribution methodology takes little consideration of this. This was highlighted in many eNGO responses which – while generally supportive of the aim – stated that it needed to be combined with other methodologies.

In questions 13, 14 and 15, we sought views on how the mechanics of any methodology that rewarded landings into Scotland would operate. There was support for excluding those stocks already covered by Economic Link from this distribution methodology and in some responses to question 14 some responses set out why for some stocks Scotland may not currently have sufficient domestic market to deal with additional landings.

In terms of a qualification period, a range of periods were set out. But a three- or five-year range drew broadest support.

In terms of qualifying criteria. The most frequently occurring percentage for eligibility was 100%. Though some aligned it with the qualification for Economic Link of 55%.

The Scottish Government strongly supports the principle that landings into Scotland help maximise socio-economic returns from Scotland's fishing opportunities. Were it not for the fact that amended economic link provisions were introduced in 2023 to bring the landing of key species to 55% (and some of these species are still covered by a 'phase in' period), an outcome of this consultation would be that previous landings into Scotland would be used as a basis for the allocation of AQ from 2024.

#### **Option 4 Outcome**

On the basis that Scotland's key species are already covered by the amended provision introduced in 2023, we will not use this basis as a methodology for allocating AQ in this period.

## Option 5: Access to Additional Quota for Vessels with Independent Accreditation

In Option 5 we asked consultees to consider an initiative that linked eligibility for AQ to accreditation with a third-party certification body. For more background information please see the consultation document.

### Question 17 Responses

Table 15: Aggregated responses to question 17- *Should allocation of AQ be linked to the welfare of the crew in all fishing operations, or the manner in which fishing operations are carried out (as set out above)?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	12	13%	12	15%
No	1	1%	1	1%
Neither	58	64%	46	58%
Don't know	12	13%	12	15%
Not answered	8	9%	8	10%
Total	91	100%	79	100%

### Themes in supportive responses

Among those who favoured either linking AQ to crew welfare or fishing operations, the key benefit identified was that it could encourage higher working standards

“I completely agree with the above as it will create a world leader in fishing standards and help market us across the globe for practice excellence. Along with cementing safeguarding practices for all involved in the fishing operations.” [Organisation – anonymous response]

“[Organisation] believes crew safety and work place conditions is a key consideration if Scotland is to be proud of its fisheries and set itself out as sustainability leaders. That sustainability must include all aspects of the business. Operating conditions and fishing practices of all vessels should be aspiring to best practice and ideally this is supported by REM (with cameras) to evidence.” [Organisation – anonymous response]

Retaining AQ to award to vessels that, for example, were crewed by Scottish residents, or focused on smaller vessels were also mentioned by supportive respondents.

### Themes in opposing responses

Regulating standards is a role for government

The majority of respondents gave a preference that AQ should not be allocated based on this proposal. The reasons for this varied, however a commonly expressed view was that regulation of crew welfare or the manner in which fishing operations

are carried out is a matter for regulators, and it was inappropriate to delegate this to a third-party entity.

“Boats that are complying with existing regulations should not be compelled to pay to demonstrate extra compliance with arbitrary standards that exceed legal requirements. If existing regulations are not adequate to ensure standards, then they should be amended. The Government should not hand over control of who can access Scottish fishing opportunities to unaccountable third-party organisations based outside of Scotland for their profit.” [Organisation – anonymous response]

Existing regulations are adequate

ILO 188 (the International Labour Organisation Work in Fishing Convention) was mentioned by several respondents with a consensus view that this convention already ensured high standards of crew welfare.<sup>3</sup> The convention sets out standards of working conditions aboard fishing vessels and was implemented in UK Law through a series of statutory instruments that were ratified in 2019. The Maritime and Coastguard Agency is the competent authority for monitoring compliance among fishing vessels.

“Active vessels are subject to a raft of requirements to meet the current regulations, including the introduction of a lot of rules around ILO88. There are no welfare crew issues in the pelagic fleet and therefore this is no appropriate manner to allocate AQ. All it will do is add a layer of subjective bureaucracy which will be outside the Scottish Government. It is not appropriate for the government to do that and would be undemocratic. By introducing this the government is demonstrating a lack of faith in their own systems to regulate the industry and faith in fishermen who have invested heavily to improve crew welfare on fishing vessels, particularly in Shetland.” [Individual – anonymous response]

Creates an unequal playing field

The expense of securing third party accreditation was raised by a number of respondents, either relating to disadvantaging smaller vessels with fewer resources or in contrast to the potential benefit of securing additional quota.

“There is no evidence that accreditation schemes actually raise standards across the fishing industry: Inevitably, boats that sign up for such schemes are likely to be those that already have high standards while boats that do not maintain high standard are less likely to seek accreditation. It is not clear if the amounts of additional quota potentially available would be sufficient to incentivise boats to pay to join an accreditation scheme if they were not otherwise inclined to do so.” [Organisation – anonymous response]

Other themes

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<sup>3</sup> [ILO Work in Fishing Convention - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Lastly, the proposals were rejected on the grounds that they should not be an incentive linked to AQ.

“Unfortunately, [Organisation] disagrees with this option. Going above and beyond the minimum requirement is to be lauded, however if the Marine Directorate believe that those standards are required and feasible, and should be implemented, then the standards should be applied across the board. They should be linked to all fishing operations and linked to the manner in which operations are carried out. There do not seem to be any grounds for effectively creating a ‘two-tier’ standards system.” [Organisation – anonymous response]

### Review of Don’t Know

Among respondents who responded with ‘Don’t Know’, the chief concerns related to such a scheme disadvantaging smaller or older vessels with fewer resources to pay for accreditation, and doubt such schemes actually deliver their intended outcomes.

“Older fishing vessels might struggle to properly meet the criteria regarding some welfare comforts required to achieve the accreditation. It would be important that these vessels are not put at a disadvantage because of this.” [Individual – anonymous response]

“RVFS has failed in every aspect over the last 15 years since its first form as RFS. The UK has moved faster than nearly all nations by introducing Work in Fishing Convention (ILO188) in 2018. A regulated inspection takes place onboard all UK registered FV's now in relation to crew welfare and safety. There has not been enough credit given to the UK industry for how it has embraced this new requirement ahead of other EU nations fishing in UK waters who continue to stall implementing ILO 188.” [Individual – anonymous response]

### Question 18 Responses

Table 16. Aggregated responses to question 18: *Should this eligibility criterion be for pelagic vessels only initially?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	3	3%	3	4%
No	65	71%	55	70%
Don't know	10	11%	8	10%
Not answered	13	14%	13	16%
Total	91	100%	79	100%

### Themes in supportive responses

The small number of supportive respondents indicated a preference for higher standards across all sectors.

“[Organisation] believes that Scottish fisheries should be able to demonstrate the sustainability of their operations and that must include all aspects of the business. Sustainable operating conditions and fishing practices of all vessels should be aspiring to best practice and in keeping with our responses to recent consultations, we believe this should be accompanied by REM (with cameras) across the fleet to demonstrate and support claims of sustainability.” [Organisation – anonymous response]

## **Themes in opposing responses**

No need in the pelagic sector

The majority of respondents did not favour focusing on the pelagic fleet. The principal reasons stated were that pelagic vessels were already representative of the highest standards of working conditions in the Scottish fleet, and that they were already compliant with the existing regulations, again commonly mentioning MCA inspections to the ILO 188 standard.

“It is known within industry that pelagic crew are highly paid, have in any year a short working period in comparison to other fishermen. They operate in high quality condition onboard to any other fleet. Placing a "crew welfare" condition on pelagic to access AQ would serve no purpose whatsoever. If Scot Gov perceive that there is a welfare problem then tackle that at its source. Certainly not pelagic which would achieve absolutely nothing other than a irrelevant gesture.” [Individual – anonymous response]

## **Review of Don't Know**

Among respondents who answered Don't Know, the resources & capacity of the pelagic fleet to secure accreditation was recognised. This was both in acknowledgement that of any fishing sector in Scotland, pelagic vessels would be best placed to achieve this, but also highlighted as a risk as it would potentially disadvantage other sectors' access to AQ.

“It would certainly be easier for these vessels to comply , but it could have knock on affects to the older vessels when it comes to their turn for accreditation if the bar has been set by the modern vessels.” [Individual – anonymous response]

“Under this option the allocation of additional quota would be made to vessels with an independent accreditation in recognition of standards achieved for conditions aboard the vessel or the manner in which fishing operations have been conducted. This should not be a means of distributing additional quota as it allows a disproportionate advantage to the pelagic fleet.” [Comhairle nan Eilean Siar]

## **Question 19 Responses**



Table 17: Aggregated responses to question 19. *Should this be considered for demersal and Nephrops vessels in the future?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	21	23%	21	27%
No	52	57%	40	51%
Don't know	8	9%	8	10%
Not answered	10	11%	10	13%
Total	91	100%	79	100%

### Themes in supportive responses

Standards should be the same for all

Respondents who supported this proposal did so because they were in favour of raising standards on all vessels, though as with responses to Question 18 this was often accompanied by sentiment that high standards should be the norm on all vessels regardless of sector. Others highlighted that there were sectoral differences in crew welfare issues and that attention to Nephrops and demersal fleet conditions was necessary.

"Improving/evidencing best practice can only enhance the reputational interests of the whole Scottish sector. This seems to be a sensible long term objective – particularly when considering how to attract young fishers/ new entrants to the sector." [Individual – anonymous response]

"If Scot Gov believe that crew welfare is an issue within fleets then correctly that should be addressed with any rogue vessels identified and licences revoked. The incidents reported in the national press are on vessels that make use of agency oversea workers. That is the demersal, nephrops and scallop fleet. There has not been a single incident reported for a pelagic vessel and it noticeable that no vessel within that fleet contract overseas agency crew." [Individual – anonymous response]

### Themes in opposing responses

Regulating standards is a role for regulators

The majority of respondents opposed this proposal. As with the case for Questions 17 & 18, adherence to existing standards was commonly raised, alongside unease at the idea of the Scottish Government delegating standard setting to a private organisation as a condition of receiving AQ.

"The Government should not hand over control of who can access Scottish fishing opportunities to unaccountable third-party organisations based outside of Scotland for their profit. We are therefore opposed to this requirement being imposed on any Scottish fishing boats, either now or in the future." [Organisation – anonymous response]

Creates an unequal playing field

Another issue raised among respondents who answer No to Question 19 was that implementation would potentially disadvantage smaller vessels' access to AQ:

“With reference to the proposed accreditation scheme, it should be noted that many Nephrops vessels are small-scaled, owner-operated and utilise static gear. Depending on its complexity, such a scheme, if made a requirement, should aim to incentivise improvements (rather than to solely penalise failures).” [Organisation – anonymous response]

“This would disadvantage these vessels and not allow a fair distribution of additional quota.” [Comhairle nan Eilean Siar]

### **Review of Don't Know**

Respondents who answered Don't Know to Question 19 expressed doubt that certification offered an appreciable improvement over existing regulations, or that focusing on one sector over another was not appropriate and that standards should be set across the entire fleet.

### **Question 20 Responses**

Question 20: *Which standards or accreditations could be used as a basis for the allocation of AQ?*

Standards suggested were:

- The Focus on Labour Exploitation, International Transport Workers Federation and Fair Food Program initiative
- ILO 188
- The Global Seafood Alliance Responsible Fishing Vessel Standard
- Marine Stewardship Council

However, the majority of respondents did not indicate any specific scheme, frequently explaining this was because they rejected the principle as a means to allocate AQ.

### **Scottish Government Summary Response to Questions in Option 5**

In question 17, we wanted views on whether access to AQ should be linked to either the welfare of the crew, or the way in which fishing operations are carried out. In questions 18 and 19 we sought views on sectors of the fleet the possible standards should apply to and in 20 we sought views on which accreditation should be utilised.

Considering the **social** and **economic** nature of this option, the allocation methodology would easily allow purchasers of Scottish seafood to discern which vessels have gone through additional accreditation which may influence their decision to buy and market the product. There was some support from respondents who represented onshore fishing businesses, where in their view accreditation

elevating the brand of Scottish seafood would command a premium price and underline the reputation Scotland enjoys for producing the finest quality seafood.

That being said, we recognise the point raised by many respondents that the ILO 188 Work in Fishing Convention, ratified into UK law in January 2019, represents a significant improvement in crew welfare regulation. There is an existing enforcement regime with the Maritime and Coastguard Agency the designated competent authority. The benefit of establishing a parallel framework to largely achieve the same objectives does not seem to be proportionate to the benefit to be realised.

While it is encouraging to learn that some vessels already hold accreditation under the Responsible Fishing Vessel Standard (RFVS), it is appropriate that these remain voluntary arrangements.<sup>4</sup> Entering into these schemes has a cost that is not easily met by all fishing vessels and there is a risk that linking access to AQ in this way could achieve the opposite of the intended outcome and lead to more concentration and uncertainty in the fishing industry.

We appreciate comments received that participation in these schemes raises the profile of Scottish fishing and Scottish seafood, and that vessels who voluntarily hold this accreditation see it as a way to gain a competitive advantage in marketing their catch as a premium product. However, we accept consultee views that participation would be unaffordable for many vessels, which could jeopardise the management of AQ in the national interest.

In **environmental** terms, this methodology was viewed by a small number of respondents as one of a number of ways in which environmental impact can be managed. Otherwise there was little mention among responses of this as an environmental criterion.

### **Option 5 Outcome**

**The Scottish Government will not be linking access to AQ to third party accreditation.**

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<sup>4</sup> [Responsible Fishing Vessel Standard \(RFVS\) — Seafish](#)

## Option 6: Exceptionally Providing AQ as a Result of Lost Fishing Opportunities

In this option we proposed to retain some AQ to provide where Scottish Government action has removed a fishing opportunity, arising from, for example, a regulatory change or the designation of a zone in Scottish waters for renewable energy generation. We explained that this would be used with careful consideration on an exceptional basis where there was clear evidence there were no other fishing opportunities available.

### Question 21 Responses

Table 18: Aggregated responses to question 21: *Should the option be available for vessels to potentially have access to AQ fishing opportunities where action by the Scottish Government has removed well-established fishing opportunities with no ready alternative (on an exceptional basis)?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	17	19%	17	22%
No	50	55%	40	51%
Don't know	15	16%	15	19%
Not answered	9	10%	7	9%
Total	91	100%	79	100%

### Themes in supportive responses

Compensates for lost fishing opportunities

Favourable responses focused on the benefit that allocating AQ in this way could bring where fishing opportunities were lost. Some respondents cited their own experience of having lost opportunities in the past through changes in marine use.

“Yes, absolutely. By inadvertently removing fishing opportunities as a result of policy decisions the viability of specific parts of the industry is at stake. There are potentially no other fisheries to partake in as a result of the structure of the quotas. It is well known that all pelagic stocks are fully utilised in Scotland. Another fishing opportunity is simply not there. We have first hand experience of this by the potential loss of our Sandeel fishery. A fishery which we would still like to participate in.” [Individual – anonymous response]

“Fish farms, static gear unregulated, wind farms, mpa’s sac’s all taking areas away from what seems to be the most economic friendly side of the fleet.,myself included. The gov have cost me near £400k this year, and it’s left me struggling not to go bankrupt and find other opportunity’s” [Individual – anonymous response]

“With large developments planned in our coastal and offshore waters any assistance that could be given to limit the effects of displacement on the fishing industry would be welcomed.” [Comhairle nan Eilean Siar]

Supportive as long as it does not impact other fishing businesses

Some supportive respondents aired caution that any use of AQ in this way should not disadvantage other fishing businesses.

“This should in principle be an ‘available option’, however only on the basis that it will not displace or come at the expense of incentivising low-impact fisheries.

Small-scale static fishers are more sensitive to the pressure of current - and worsening - spatial squeeze due to their limited ability to relocate to new ground and reliance on non-quota species in comparison to larger, mobile-gear vessels. As spatial squeeze continues to intensify, it is necessary to have such an option to allow for at-risk small-scale fishers to be allocated new/alternative opportunities (including potentially allowing access to quota species) to preserve livelihoods.” [Organisation – anonymous response]

### **Themes in opposing responses**

The majority of respondents were against use of AQ in this way for three broad reasons: questions of viability, objection to the principle, risk of unintended consequences/knock on consequences for other users.

#### Viability of such a proposal

The complexity of administering such a scheme in the context of the modest quantities of AQ that could be made available were raised by several respondents. There was doubt that AQ could do much to improve the circumstances of a business facing such a loss of fishing opportunity, and that making decisions about who did and did not qualify would be difficult to justify.

“We don’t believe that the relatively small amounts of quota made available through additional quota would be nearly enough to compensate boats for lost fishing opportunities. Compensation will certainly have to be considered for valuable fishing grounds set to be lost to the likes of offshore wind farms or any areas closed completely to fishing in the name of marine protection, all at the government’s behest. However, we do not feel that relatively small allocations of additional quota will be sufficient compensation for losing these well-established fishing grounds.” [Individual – anonymous response]

“concerned it would prove too cumbersome to manage and allocate appropriate levels of AQ” [Organisation – anonymous response]

#### Object to the principle of using AQ in this manner

Other respondents disputed that allocating AQ in these circumstances was compliant with the Fisheries Act 2020 and Joint Fisheries Statement. The precedent of using AQ in this way was also questioned.

“Fishing opportunity is gifted rent free to fishing businesses - Sunbeam vs Scottish Ministers established clearly that Government may chose not to gift

this opportunity if its policy priorities indicate that is necessary. Compensating for this is therefore not a necessary action and sets a concerning precedent. Distributing in this way is not an approach which includes criteria relating to environmental, social and economic factors, nor is it one which seeks to incentivise the use of selective fishing gear, and the use of fishing techniques that have a reduced impact on the environment - it therefore falls short of the duties of the UK Fisheries Act and JFS.

Taking this approach would create no new incentivisation or lead to any change to fishing practices. It would fail to achieve the stated objectives of the Future Fisheries Strategy and the Blue Economy Vision.” [Open Seas]

#### Risk of unintended consequences/knock-on consequences

Several respondents raised the issue of giving AQ to a business in this situation displacing/competing with existing businesses, or introducing safety and environmental risk.

“we are against such an approach, which is basically providing a compensatory route for those impacted, without acknowledging the knock-on effect it could have to others. It is very easy to see the unintended consequence aligned to such an approach, albeit we acknowledge the political benefit arising from such an approach.” [Individual – anonymous response]

#### Review of Don't Know

Respondents who answered “Don't Know” were equivocal on this option principally due to doubt it could be used to match the scale of lost fishing opportunities, or reserved judgement without specific examples of how the scheme would operate.

“We would need to know what the specific circumstances are. The Scottish Government should not make any decisions on removing well-established fishing opportunities without consultation and if completely necessary should take steps to adequately compensate businesses that are no longer able to access their normal fishing grounds.” [Wales and West Coast Fish Producers Organisation]

“We would suggest there is not enough AQ to do this in a meaningful manner but if this were to be considered much more work is required.” [Individual – anonymous response]

#### Scottish Government Summary Response to Questions in Option 6

Question 21 asked if some AQ should be retained to be used to enable vessels that have lost well established fishing opportunities to continue fishing. This was on an exceptional basis, where there was no alternative.

This allocation methodology would seek to mitigate the **social** and **economic** harm arising from a loss of fishing opportunities. The marine space is shared among many diverse interests and inevitably these come into conflict. AQ could, in carefully

considered circumstances, be a tool to resolve some of these conflicts where the cause was action by the Scottish Government.

Several responses were receptive to the principle, pointing out experiences of already having lost out to other users of the blue economy, for example where planning permission had been granted for a finfish aquaculture site despite objections by those with fishing interests. This support was qualified, with concern about how administering such a scheme would ensure other fishing interests were not displaced or otherwise put into conflict with the recipient of AQ.

Enabling a new use of the marine environment, for example, renewable power generation, while also retaining the social and economic benefits of fishing is an attractive proposition. However, it is clear from comments received that views are mixed on whether this would, or should, be deliverable in all cases with AQ. Misgivings over the complexity of such a scheme were prominent among opposing responses, along with recognition that the bias towards pelagic stocks in AQ would mean retaining a portion of demersal AQ for this purpose would already limit the usefulness of such a scheme. Uncertainty about the benefit of retaining AQ for this purpose compared to allocating AQ in other ways was raised by several respondents.

As this option related to **environmental** criteria, the care needed to manage displaced fishing activity was highlighted as a potential risk to the environment. As this methodology would not necessarily seek to incentivise the use of selective fishing gear and fishing techniques or vessels with a reduced impact on the environment, some stakeholders said it was incompatible with the requirements of Section 25 of the Fisheries Act 2020. The principle of compensating for the loss of a freely allocated national asset was also raised as setting a concerning precedent.

### **Option 6 Outcome**

Considering the responses received, the Scottish Government will not be implementing this option at this time. However, it may be utilised in future years and if so an appropriate application/allocation method would need to be developed.

## Option 7: Applications From Sectoral Groups On Environmental Criteria

### Question 22 Responses

Table 19: Aggregated responses to question 22: *Should a portion of AQ be retained and Sectoral Groups invited to bid for quota on behalf of some or all of the Scottish vessels they administer (as set out above)?*

Response	Count	Percentage	Count (Grouped)	Percentage (Grouped)
Yes	22	24%	22	28%
No	50	55%	40	51%
Don't know	10	11%	9	11%
Not answered	9	10%	8	10%
Total	91	100%	79	100%

Roughly a quarter of respondents favoured retaining some AQ for this purpose, while approximately half of respondents were not in favour. The remainder of respondents were evenly divided between selecting 'Don't Know', or did not answer the question.

### Themes in supportive responses

Clear and transparent criteria are essential

Among those who expressed support, this was qualified and generally guarded. A key concern was that any initiative to allocate AQ on this basis was founded upon clear and transparent criteria with a monitoring mechanism:

“While we would be broadly supportive of the idea that sectoral groups should be able to bid for additional quota for ‘beneficial purposes’, we believe that the bases for doing so should be broader (and better defined) than suggested. It is essential that the bases for doing so are based on transparent and objective criteria and that there should be a transparent and representative system for establishing and monitoring these criteria.” [Organisation – anonymous response]

“This could be supported but would be subject to the government set clear, transparent and auditable bids which would not risk preventing quotas from being caught.” [Organisation – anonymous response]

Supportive if the Scottish Government is resourced to deliver

However, even amongst supportive responses there was doubt that the Scottish Government was adequately resourced to effectively administer such a scheme. Respondents highlighted both capacity to fairly evaluate bids and also ability to monitor to prevent misuse.



“It is not clear if the Scottish Government has the resources to effectively monitor a scheme based on such vague and ill-defined criteria, but without any such monitoring it would inevitably be open to abuse.” [Individual – anonymous response]

“In principal this could be a good idea but it needs to have a transparent and well-controlled basis for allocation. It is questionable if the government has the resources to ensure a fair and equitable system of allocation.” [Individual – anonymous response]

Should be open to all vessels

Some respondents also took care to stress that their support was contingent on this mechanism not being exclusive to sectoral groups and that it did not result in competition for quota between sectoral groups and non-sector vessels:

“Some portions of AQ should be retained however it is important that this is not restricted exclusively to Sectoral Groups. This is because many smaller scale operators are not members of formal structures with the ability to manage quota. Furthermore, applications for retained AQ must not compete with non-sector vessels. This should only apply to unused quota at the end of each quota period.” – [Organisation – anonymous response]

### **Themes in opposing responses**

Opponents to this proposal gave a wide range of reasons why they did not agree with retaining a portion of AQ on this basis. However, recurrent themes were:

- Another option was favoured.
- Fishing already selective and undertaken with a low environmental impact
- Open to abuse
- Should be open to all vessels

Another option favoured

The most common being that AQ to be allocated on the basis of HTR, however allocating on an equal basis to all vessels was also mentioned, as were alternative proposals for AQ. Among those favouring HTR, the argument was made that HTR already delivers fishing with a reduced impact on the environment:

“...AQ quota should be distributed on a HTR basis and we will continue as an Organisation working and fully engaging with established groups such as Scottish Whitefish Producers Association, Scottish Fishermen's Federation, FMAC and Future Catching Policy to be as selective and environmental as legislation will allow us.” [North East of Scotland's Fishermen's Organisation Ltd.]

Fishing already selective and undertaken with a low environmental impact

Another theme among opponents was that the option was unnecessary as fishing methods are already highly selective and undertaken with a low environmental impact. Relatedly, respondents from specific fishing sectors viewed the option as irrelevant to their interests, for example pelagic fishing businesses on the basis that they had a reduced environmental impact when compared to other sectors.

“While the premise of this option would appear to be that this would nudge PO memberships toward being more environmental friendly the fact is the Scottish fleet has limited options to alter our fishing techniques. We trawl and we seine net. If these are considered destructive methods of fishing, which supposedly destroy fish habitats and the seabed environment, in the very near future those pushing this agenda will need to explain why numerous stocks are currently set at record high TACs. It's becoming increasingly tedious to be under constant attack for merely doing your job, the end result of which feeds protein to people. Notably the protein with the lowest carbon footprint currently achievable !” [Individual – anonymous response].

#### Open to abuse

Potential vulnerability of any such scheme to abuse was a prominent issue among opponents, where the topic of misuse of such a system came up in several responses, some of which referenced past experience with similar schemes. These comments were linked with doubt that the Scottish Government had the resources to effectively implement such an initiative.

“I think that there will be too much room for disingenuous claims.” – [Individual – anonymous response]

#### Should be open to all vessels

Several respondents criticised the proposals to invite bids from sectoral groups only. They viewed this approach as exacerbating what they perceive as an already unfair advantage enjoyed by vessels in sectoral groups.

“This provides an unfair advantage to vessels that are part of Sectoral Groups and discriminates against those that aren't.” [Organisation – anonymous response]

“Whilst ensuring that Scottish quota is used to incentivise better environmental behaviour is something we support, we do not support this being only via sectoral groups but should instead be implemented across the fleet and on a per vessel approach, given this is the one which will be needed to drive change in behaviour.” [Open Seas]

### Question 23 Responses

Question 23: *What fish species in particular should be set aside and what quantities?*

The majority of respondents did not identify species or quantities. The reasons given for this were varied. Among those who are supportive of this option, most commonly

no detail was offered because in their view it was premature to do so and would depend on the nature of any initiative that was developed. Of those who did identify particular species, this was most commonly mackerel or pelagic fish in general:

“We believe that Mackerel should be set aside for such an approach. The scale of the windfall should be recognised with government intervention to use some of the benefit for the wider fisheries sector, including swap currency in international negotiations. Whilst it is difficult to focus on a precise quantity it should be significant enough to support alternative offshore fisheries and international swaps.” [Individual – anonymous response]

“As already stated, demersal allocations are limited, therefore we would see any potential gains to be made from pelagic opportunity. However, such opportunity does not necessarily need to come directly from the fleet beyond what is already taken as the government already top-slices 300t of Western Mackerel which is under utilised allowing PO's to bid for a share of this to facilitate such trials would be a start.” [West of Scotland Fish Producer's Organisation & Orkney Fish Producer's Organisation]

Other suggestions from supportive respondents were that all AQ species be retained to some extent for this option, and one respondent set out a detailed list of species with suggested tonnages to be retained.

By comparison, the majority of respondents who opposed this option did not answer this question, referred to the substance of their response to Question 22 or stated that no species should be considered. A small number of opposing respondents did identify species to consider if this option was to be taken forward:

“If this approach is taken, it should be for all stocks and for the entire AQ allocation. It would be particularly impactful to allocate AQ for Cod (W Scotland & North Sea), Monkfish (W Scotland & N Sea) and Saithe (West of Scotland & North Sea) in this way given the uptake means that these are sought after quota where access could really be used to create an incentive.” [Open Seas]

Among respondents who answered Don't Know to Question 22, the most common answer was to stress that AQ should only go to vessels that will catch the quota. Otherwise respondents in this category were unsure, though one response did suggest demersal species be targeted.

“We refer to previous answers and our belief that additional quota for certain species should only be allocated to vessels with the ability to actually catch them.” – [Individual – anonymous response]

### **Scottish Government Summary Response to Questions in Option 7**

Though there was support for Option 7, even where it was forthcoming this was generally conditional. Across responses there was little support for the proposition as set out.

In supportive and opposing responses there was relatively little consideration of **economic** or **social** criteria.

It can be seen that there was some consideration of **environmental** factors in some responses and representatives of the fishing industry highlighted the significant steps that had been taken to increase selectivity and reduce the environmental impact of fishing gear – and set out that this needed to be taken in consideration when allocating quota.

On the whole though respondents focused on the administration of such an initiative. Respondents, rightly, highlighted that such an initiative would place an increased bureaucratic burden on the Government and questioned where resourcing would come from to support the implementation, such as monitoring of how well vessels adhered with the application conditions.

There were also concerns that any such initiative would result in a favourable outcome for larger businesses with the capacity and 'know how' to acquire quota.

On the other hand, some eNGOs contended that all quota AQ should be subject to an application process based on applicants fulfilling a range of different criteria.

Looking at question 23 (which sought views on which species should be available if Option 7 were implemented), it can be seen that (with a limited number of exceptions) there was no real exploration of stocks to be considered as part of this process. However, it was suggested that key stocks in particular should be the subject of an application process.

Having considered consultation responses, especially the following points raised:

- Concerns over the need for a transparent and robust process for applications;
- Support for groups/bodies other than Sectoral Groups being able to submit applications for AQ. Indeed there was limited support from Sectoral Groups for the initiative;
- Concerns over the significant administrative processes that would need to be in place to administer and police such a system; and
- An alternative proposal set out by some respondents,

We will not be implementing the initiative as set out in the consultation document.

However, the Scottish Government will be introducing an amended proposal in 2025 in relation to west of Scotland cod.

### **Option 7 Outcome**

In 2025 and 2026 it is not our intention to allocate any AQ west of Scotland cod based on Historical Track Record. Special allocations of west of Scotland cod will be allocated to the non-sector and some west of Scotland cod potentially utilised as part of the Future Catching Policy (FCP) process. The FCP, in cooperation with

stakeholders, will develop rules to regulate activity at sea in order to support the increased accountability and sustainability of Scottish fisheries<sup>5</sup>.

For 2025 and 2026 west of Scotland stock will primarily be allocated to sectoral vessels following an application process focused on environmental factors.

The application process will be designed in 2024 and introduced in 2025 for the species. In line with the original proposal set out in Option 7, it is envisaged that applicants would be required to set out in an application form how the vessels that seek to benefit from this fishing opportunity would meet one or both of the requirements below:

1. the use of selective fishing gear; and/or
2. the use of fishing techniques that have a reduced impact on the environment (for example that use less energy or cause less damage to habitats).

While this process will give the most weight to environmental factors, we will also consider the potential social and economic benefits that applications could bring.

At this point in time the initiative would only be available to sectoral vessels but applications will be welcomed from groups other than Producer Organisations and Quota Management Groups **on behalf of sectoral vessels**. The decision not to make this initiative available to individual non-sector vessels is for a number of reasons. Such as:

- The Scottish Government does not have the resources to manage individual vessels in the way sectoral groups do. For example, a typically Scottish Producer Organisation manages 10-30 vessels. Usually with a full-time CEO and administrative staff support. In contrast, the non-sector group contains over 1,800 vessels. To move away from the current system as proposed by some (principally eNGOs) to one where individual non-sector vessels are allocated quota would require a significant shift in public resources and priorities.
- There is no current mechanism for managing individual non-sector allocations.
- Who would become accountable if a non-sector vessel overfished its bespoke allocation of west of Scotland cod quota? When an individual sectoral vessel overfishes its allocation, then the wider sectoral group becomes liable for covering any overfish of quota. In the situation that a non-sector vessel overfished its individual allocation of quota would this reduce the amount available to other non-sector vessels? Would such vessels be able to partake in quota exchanges? If so who would engage in exchanges on their behalf?

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<sup>5</sup> [Fisheries - future catching policy: consultation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fisheries-future-catching-policy-consultation/pages/10.aspx)

Beyond these practical considerations, to give individual vessels in the non-sector an allocation of quota would be a significant move away from the principle that all vessels in the non-sector have access to the same fishing opportunities. At present, the non-sector allows for all Scottish registered vessels, that are not in membership of a sectoral group, to fish from a common pool of quota. This allows for an entry point into the fishing industry, allows for access to fishing opportunity, and means that these micro-businesses have access to fishing opportunities year-after-year.

As set out in response to Option 2, we do consider that the make-up/structure of the non-sector needs to be reviewed. However, any amendment needs to be very carefully considered given its importance to businesses in our coastal communities.

If the initiative is successful it may be extended to other species.

#### **Section 4 - Call For Evidence For Further, Future Allocation**

In this section we explored options which we did not consider could be put in place for 2024 due to operational complexity but wanted to seek feedback to inform future policy development. We set out that additional consultation may be needed before any could be introduced.

#### **Call For Evidence – Enhanced Selectivity**

Here, we asked for views on retaining AQ to incentivise the adaption of fishing behaviour to reduce the environmental impact of the activity through the use of more selective gear. The intention being that this could be developed in line with the Future Catching Policy, in conjunction with the Fisheries Management and Conservation Group (FMAC).

#### **Benefits arising**

As this option relates to **environmental** factors, supportive comments suggested stakeholders already had ideas about how enhanced selectivity could be introduced through this route. Specific areas mentioned were spatial management of fishing, the use of remote electronic monitoring of vessels, compliance with other aspects of quota management, ranking fishing gear and techniques according to their selectivity and allocating AQ accordingly.

“This is a requirement under that Act and should be incorporated throughout the AQ and EQ systems. Conditions which could increase selectivity include:

- Spatial management measure to avoid spawning sites and high bycatch areas (including seasonal and permanent area closures)
- A requirement that all vessels are fitted with enhanced vessel monitoring systems (REM) ensuring all bycatch is recorded and accounted for.
- A higher proportion of AQ allocation is provided to those vessels that best meet the requirements under the act
- Technical measures that require specific low impact gear or gear modifications” [Organisation – anonymous response]

“The quota should be prioritised to vessels which demonstrate the best social, economic and or environmental outcomes. Lack of selectivity of some fishing gear is one of the primary drivers of our failure to achieve Good Environmental Status in our seas and at every opportunity more selective gears should be incentivised.

Even within gear types those deploying the most selective gear modifications should have preferential access to fishing opportunity. For example a Nephrops trawl vessel utilising a 'Swedish grid' (or similar high selectivity device) should be prioritised access to quota over another Nephrops trawl vessel who is not operating such a system. Or a hand line fisher over a nett fisher. Larger mesh, escape hatches etc

Another option to incentivise selectivity would be preferential access to quota for those vessels fitted with REM to ensure all bycatch is recorded and accounted for, and this data be then used to better understand avoidance/selectivity measures.

Another option would be to preferentially allocate quota to those vessels demonstrating the highest level of compliance with the landings obligation.”  
[Organisation – anonymous response]

There were varying views as to how AQ should be used in this approach. Several responses expressed the view that a portion of AQ should be ring-fenced, but then went on to indicate there should be further conditions placed upon its allocation beyond being in exchange for the use of more selective fishing gear or techniques. Reflecting **economic** and **social** concerns, respondents noted that AQ should be preferentially allocated to non-sector vessels, that any AQ allocated in this way should be blocked from being traded, that it should only be allocated to Scottish boats landing their catches into Scotland. Among supportive comments there was caution that while a good idea, there may not be enough AQ to act as an incentive to participate.

“static gear used by smaller vessels is much mor selective than the larger vessels as such insentivising the U10 fleet using static gear will fully adress this issue” [Individual – anonymous response]

“Should be Scottish boats landing in Scottish ports who get preference to aq”  
[Individual – anonymous response]

Benefits identified were the reduction in **environmental** impact, the closer adherence to legislative requirements, the economic benefit to businesses willing to invest in more selective gear or fishing techniques to unlock more fishing opportunities, and the potential contribute to mitigating the twin crisis.

“Any monetary benefits arising from this scheme should be put towards activities that mitigate against the joint crisis of climate and biodiversity. One such suggestion would be using the proceeds to fund adequate compliance and enforcement of non-compliance of fisheries management measures

within the marine protected areas network.” [Organisation – anonymous response]

## Costs arising

Responses opposed to the proposal maintained that fishing practices were already highly selective, citing mesh size and catch cameras, or that ICES advice should be the basis on which we judge the sustainability of a fishery, indicating a preference for using discard minimisation to incentivise selectivity in place of retaining quota. There was mistrust of the process of setting selectivity criteria, and some respondents questioned whether FMAC was the correct forum to discuss and develop ideas relating to enhanced selectivity. It was set out that if allocating quota to smaller vessels then more selective fishing methods would naturally be employed.

“We are always open to new opportunities to be more selective and over the years we have worked collaboratively with groups in certain projects to be more environmental and economically viable. In previous trials that we have been involved with, legislation has been a barrier and this takes time to address. The AQ quota should not be utilised in achieving greater selectivity, our opinion is that the discard component should be used in this instance.” – [North East of Scotland Fishermen’s Organisation]

Some eNGO respondents rejected the principle of ‘top-slicing’ some AQ to be allocated via FMAC

“Section 25(3) of the Fisheries Act 2020 explicitly states that ‘when distributing catch quotas and effort quotas for use by fishing boats, the national fisheries authorities must seek to incentivise the use of selective fishing gear, and fishing techniques that have a reduced impact on the environment’ Fisheries Act 2020 (legislation.gov.uk) (see answer to Q1). It is therefore a requirement that allocation of quota must incentivise low-impact fisheries - this is not optional. Further, Section 25 also lays out that social, economic and environmental criteria must be followed in allocating opportunities. This should be the primary method of deciding upon and distributing AQ.” [Organisation, anonymous response]

More equivocal responses communicated a need to see more detail of how this would work in practice before forming an opinion. There was discomfort with the concept of incentivising selectivity above the legally mandated standards and notes of caution were sounded that beyond a certain point, selectivity ceases to be economically viable and going too far could seriously harm sections of the fleet. As raised in other responses, doubt that the Scottish Government could effectively monitor any such scheme was mentioned.

“Our fishery (mobile demersal) is already very selective and mesh size has increased lots in recent years, as well as the use of assistive camera technology such as CatchCam to help maximise the efficiency of gear. Again, if the government thinks that its own existing regulations around selectivity are lacking, then it should explain and evidence this before changing existing



regulations – rather than using quota unfairly as a means to that end.”  
[Individual – anonymous response]

“The majority of our members echo the views of [Organisation]:

The Fisheries Act requires fisheries authorities to incentivise the use of selective fishing gear (not to increase selectivity). The Fisheries Act also requires the allocation of quota to be based on “transparent and objective” criteria.

We are concerned by the repeated references in the consultation to “increasing selectivity” without any context, without any definition of what is meant by ‘selectivity’, without any evidence that increases in selectivity are necessary (or practicable), without any clear statement of an overall objective, and without any transparent and objective criteria for measuring selectivity or increases in selectivity....” [Organisation – anonymous response]

Several respondents felt it was too early to be drawn on potential costs and benefits, stating either that this would depend on the detail of any scheme, or saying that it is for the Scottish Government to determine the costs and benefits of incentivising selectivity in this way. One respondent noted that the cost or benefit was likely to be highly regional, reflecting the regional variation in the location and target species of the Scottish fishing fleet.

Of those who identified costs, these were associated with administration of such a scheme, either for the Scottish Government or for fishing vessels contributing to costs of gathering scientific data. The complexity and vulnerability to misuse of such schemes was also identified as a cost to this approach. Other respondents stated that the cost would be too much to bear for some sections of the fleet, or that all that would happen is reductions in catches of marketable fish.

“As outlined above (Q.24), we have significant concerns and reservations about the potential benefits and costs of any such scheme, given the lack of any transparent criteria or clear objectives for the scheme.

‘Increasing selectivity’ essentially makes fishing less efficient, since it reduces the amount of fish that are caught for a given amount of time and effort. Given that previous increases in selectivity have largely eliminated unwanted catches of undersized fish in most Scottish fisheries, further increases in selectivity will primarily reduce catches of marketable fish. That will have a direct financial impact on hard-working Scottish fishermen by reducing their incomes and increasing their operating costs.

Reducing the efficiency of Scottish fisheries (making it more difficult to catch fish) is also inconsistent with initiatives to reduce Scotland’s greenhouse gas emissions and achieve net-zero, since fishermen will have to spend more time fishing - and therefore burn more fuel – in order to catch the same quantity of fish with less efficient (‘more selective’) fishing gear.

We would also point out that effectively implementing, monitoring and managing any scheme such as that proposed would come at considerable

cost to the Scottish Government. The absence of effective monitoring and control was a major weakness of the previous Conservation Credits Scheme, and it would be essential to ensure that such failures were not repeated in any future scheme.” [Organisation – anonymous response]

### **Scottish Government Summary Response to Enhanced Selectivity**

Where responses indicated support for this proposal it was on the basis that it was incumbent on the Scottish Government to introduce regulations to increase selectivity/reduce the environmental impact of fishing activity when allocating fish quota specifically and in the management of fishing activity generally.

Many responses indicated opposition to the proposal with a number of reasons given. There was a belief that the allocation of quota should not be bound to selectivity – that it should be viewed as a separate issue. However, the requirements of the Fisheries Act 2020 to seek to incentivise enhanced selectivity must be noted.

Some set out that FMAC/FCP were not suited to the development of this work and various reasons given. While others highlighted the strides made by the fishing industry to improve selectivity in recent years.

Having considered responses, the Scottish Government does agree that AQ could be utilised as part of the FCP process and/or that FMAC could be a forum by which initiatives are developed to award AQ based on vessels utilising fishing gear/operations with a reduced environmental impact.

### **Call for Evidence - Community Quota Schemes**

In this call for evidence, we asked for views on using AQ to establish community quota schemes (CQS), where fishing opportunities would be managed locally in line with the particular social, environmental and economic priorities of a community.

### **Benefits arising**

Respondents gave a wide variety of views, both in support and opposition to the idea. Regarding **social** and **economic** factors, some with connections to island authorities referenced the existing CQS arrangements and the benefits they felt were proven as a result. Benefits were identified both at the local scale, providing jobs in remote areas, and sector-wide in marketing potential.

“...Distribution to community quota schemes would then generate revenue for the local regions and allow fair access for the entirety of the fleet in these areas. It would continue to do so and allow fleets to diversify - and if distributed this way would also allow coastal communities to develop markets on a local basis, rather than the catch being landed to foreign ports and have no economic benefit to the local regions where the fish was caught.

This should be the blueprint as to how all quota is distributed, i.e. local authorities with devolved powers over the allocation of the fishing quotas in their own waters. The various well establish Regional Inshore Fisheries

Groups could manage these waters on a local or regional bases and many of the current issues with quotas would be resolved. It would give many coastal areas a much-needed boost and the revenue generated could be reinvested in infrastructure and processing capability for the fleet instead of being lost to a small number of multi-million-pound fishing businesses...

...Given the overwhelming benefits such schemes could have, this is a very disappointing position to take on such a rare opportunity. This may be a once-in-a-lifetime opportunity to redistribute (particularly) pelagic quota in a more equitable manner. In 1973, 97.5% of landings by volume into Stornoway comprised pelagic and whitefish species. Since then, this volume has been steadily eroded to the point where the local fishing industry is extremely reliant on shellfish stocks. Should these stocks suffer a collapse then the entire industry would disappear in Stornoway.” [Comhairle nan Eilean Siar]

“[Organisation] strongly supports Community Quotas which we believe would:

- Provide the framework and policy infrastructure necessary for the diversification and rejuvenation of the inshore fleet
- Support new entrants to the fishing sector (bringing socio-economic benefits)
- Provide diversification opportunities to existing fishers (socio-economic and environmental benefits)
- Bring additional value to rural and island communities through economic upstream and down effects
- Provide environmental benefits by allowing vessels to diversify and reducing pressure on stocks such as crab and lobster
- Making the fleet more resistant to market shocks due to diversification”

[Organisation – anonymous response]

Within these groups there was disagreement on the role of sectoral groups – it was felt by some that receiving AQ free instead of paying to lease from a sectoral group would unlock a great deal of potential, and could be managed wholly through non-sector means, while others viewed sectoral groups as having an important supporting role to play for example in helping with setup costs and facilitating access to shore based services. CQS was noted as a means to improve industry-community relations. International examples of successful CQS were highlighted as models to emulate.

“We are supportive of Community Quota Schemes, as through our work with Orkney PO already manage quotas on behalf of the CQS set up by Orkney Islands and Western Isles Councils and can see the benefits of using such schemes where they are properly set up and managed. Therefore, we would welcome further discussion on these.

However, as we have stated previously, we believe these groups should be integrated within the current sectoral management groups which we believe would deliver a better outcome rather than creating new stand-alone groups. We do question the demand for such groups and whether simply setting up a scheme is enough. Already we see issues in remote areas around dealing with the fish once landed including logistics, ice and market provision which would all need to be addressed in any proposal.” [West Coast of Scotland Fish Producers Organisation and Orkney Fish Producers Organisation]

“...Community quota schemes can be an effective tool for increasingly stable incomes and infrastructure developments within local communities. For example, the number of employees engaged in the Community Development Quota Programme associated with the Alaskan Pollock Fishery started with only 317 in 1993, but reached 5,600 in 2010.” [Organisation – anonymous response]

Supportive respondents said that accessing AQ through a CQS would be a good way to recognise the cultural importance of fishing, giving small fishing vessels a collective voice that it was felt they currently lack. The potential for this as a route into fishing for prospective new businesses was noted, though this was both in a positive and negative light – responses received highlighted the complexity of setting up new CQS and the viability of relying only on AQ as an incentive.

“Probably needs more thought, but on the matter of potentially using AQ for new entrants- AQ alone would never be enough to keep a new entrant going, even if it was, its still a small cost compared to the cost of a ship to catch it. Also open to abuse by larger fishing companies to create companies to look like a new start.” [Individual – anonymous response]

Considering **environmental** factors, the establishment of CQS was raised as a framework to enable resilience and diversification, taking fishing pressure away from shellfish stocks by providing a route for shellfish boats to target whitefish, and could be an example of Just Transition.

" Community quota schemes could help empower small fishing businesses and coastal communities who are often marginalised from fisheries management decisions. These schemes have the potential to be quite complex and should be delivered in a way which supports a just transition to more sustainable and selective fishing which will increase fisheries resilience and benefit coastal communities in the long term." [Organisation – anonymous response]

## **Costs arising**

Some opposing responses disputed a perceived implication that allocations to sectoral groups did not already benefit communities, or that there were sufficient barriers to new entrants that CQS was needed to break these down. Landing fish into Scotland by any vessel was identified as a way in which all fishing activity benefits communities. Several responses highlighted that inshore vessels already receive some special allocations and do not fully utilise it, so questioned why new CQS would be any different. The idea that a CQS could ultimately lease unfished quota back to sectoral groups, or hold it and not fish it at all, were raised as undesirable outcomes. Some respondents recommended mechanisms such as returning unfished quota to a pool for reallocation, or only allocating underutilised stocks. Reference was made to previous occasions when the Scottish Government has looked into this issue and that the identified issues remained the same.

“Unless there is a specific case that articulates the need for setting up a community quota scheme, there is always the potential that such schemes reappropriate fishing opportunities from those already using them, unless focused on stocks that are chronically under utilised.” [Eastern England Fish Producers Organisation]

Responses that were neutral to the concept but focused on practical considerations mentioned the need to be specific in classifying what an eligible community is, the need for up-front finance as well as fishing opportunities from AQ, that not all AQ species could realistically be fished, and that appropriate governance with the same management criteria as other fishing interests was essential.

“We would support the development of community quota schemes that met the requirement under the Fisheries Act. For these to be successful better regional governance options and arrangements are necessary. Open, well-resourced and inclusive governance bodies and procedures are necessary to make this successful, and truly benefit local communities.” [Organisation – anonymous response]

### **Scottish Government Summary Response to Community Quota Schemes**

There were many responses strongly in favour of enabling community quota schemes. It was seen as a way of empowering local communities, bringing economic benefit, resilience and retaining this culturally important industry.

However, opponents, and some supportive responses, set out the need for the correct infrastructure and transparent decision-making processes.

Though there was discussion of successful initiatives in place domestically and abroad, there was no real vision of how this could be achieved in this instance.

The Scottish Government agrees that the allocation of fish quota to community initiatives could bring strong local benefits. However, the correct infrastructure needs to be in place so that the required management systems are in place. The recent establishment of the QMG initiative has demonstrated that this requires considerable development. There would also need to be consideration of appropriate fish stocks for allocation.

To this end, we will explore the capacity of allocating quota to local groups to allow them to allocate fish quota in their communities in line with government objectives and obligations.

### **Call for Evidence – Diversification Opportunities**

In this call for evidence we asked for views on retaining AQ as a means to broaden diversification opportunities. In option 2, the proposed methodology primarily allowed for the diversification of 10 metre and under non-sector vessels given their heavy focus on shellfish stocks. Here we sought views on using AQ for the same purpose but focused rather on larger vessels. Views received tended not to recognise this

distinction, and discussed the matter as it might relate to vessels of any class. Indeed some respondents focused their comments again on benefits to the 10 metre and under non-sector group of vessels.

Considering the **social** and **economic** aspects of this, positive outcomes from diversification were discussed in terms of the wider benefits to the sector and the associated value chain, however several respondents stressed that AQ alone was unlikely to be an adequate motivating factor for diversification, and that a broader package of measures including up-front financial support would be necessary.

“In general terms, we would be supportive of realistic proposals to use additional quota to facilitate and support the diversification of existing fishing operations. However, we would stress that any such diversifications are likely to be complex to bring about, and would likely require a broader-based and greater Government commitment than simply handing out some additional quota. We would strongly caution against simplistic or naïve assumptions about what might realistically be achievable in the short term. An important priority should be to ensure the long-term (economic) sustainability of such diversified fisheries. That will require long-term planning and commitment by all parties involved, including the Scottish Government.”  
[Organisation – anonymous response]

Supportive comment on social benefits of diversification identified this as a route to restore the fishing industry to its historic status and as a way to secure new entrants into the fleet.

“Given the small scale fleet & non sectors (the vast majority of Scotland's fishers) historic marginalisation from accessing demersal and pelagic fin-fish fisheries, there is a substantial opportunity here to begin to right a historic wrong!  
The vast majority of Scotland's fishers are operating in the small scale under 12meter sector and utilising static gears. This fleet segment is suffering from the phenomenon of 'spatial squeeze' to the greatest extent of all of Scotland's fishers. Facilitating diversification opportunities for this fleet segment that does not cause additional 'gear conflict' would be a welcome opportunity and it would to some extent alleviate the extent of the current and anticipated levels of spatial squeeze.  
It should not require stating the obvious but there is likely going to be some period of time and a substantial requirement for additional investment from within and without industry to build, capacities, knowledge, experience, markets and infrastructure prior to being able to fully realise this opportunity, as such interim solutions and an element of government assistance will be required.” [Organisation – anonymous response]

“This option could have positive effects on the fishing fleet to provide for them opportunities to fish for stocks they have not previously targeted for example pelagic species. Allowing vessels that have had no previous pelagic quota to diversify and access pelagic stock it could be instrumental to the longevity of the inshore fleet.” [Comhairle nan Eilean Siar]

“I think an increase in the pelagic quota for under 10m boats could be beneficial, not only mackerel but a small herring quota for under 10m could be hugely beneficial to establish markets in the summer months before the pelagic boats start fishing.  
Supply restaurants and fish shops etc with fresh herring.” [Individual – anonymous response]

The importance of location and geography was raised in a number of different ways. Enabling local uptake of fishing opportunities to build resilience in the mix of species targeted was identified as an economic benefit by some respondents, while others cautioned that it was counterproductive allocating quota without recognition of where fish stocks are located.

“Geography determines opportunities for this sector and simply giving additional cod quota to a vessel in the Hebrides for instance would be a waste of quota.” [Individual – anonymous response]

Concern was expressed that taking some AQ in this way would reduce opportunity to other fleet segments who had built a historic track record, and there were suggestions to focus on species that are not fully utilised rather than removing opportunities that would otherwise be fished. Some representatives of pelagic fishing interests felt the reputation for the highest quality fish could be compromised by reserving some AQ for diversification.

“Like CQS, this concept effectively involves allocating an AQ windfall to groups that lack an HTR of stocks that they would now wish to harvest. We would have concerns around a lack of equity amongst industry actors resulting from this kind of approach. We would also have concerns around over-capitalisation resulting from this kind of windfall allocation which, without sufficient market access, could lead to business failure.” [Scottish Fishermen’s Organisation]

Other respondents focused on the need to attract new workers into the industry, though opinion was split on whether AQ was the correct lever to bring about positive change in this area. Some suggested that encouraging new entrants with AQ may actually cause other vessels to exit fishing altogether

“This is great as it helps remove the barrier for new entrants into an industry which faces a chronic labour shortage and seen by many as an unattractive, low paid career. when in fact with the right help and guidance it can be the complete opposite. The industry can thrive with new blood through increased opportunities and support.” [Organisation – anonymous response]

“As per our initial comments we again re-iterate the need to manage expectations with the volume of additional quota available, and that offering opportunities for others particularly with fully utilised stocks will limit those available to those already using them therefore any wider economic gain will be negligible. However, as we have stated opportunity for many vessels particularly on the West Coast is limited and that by allowing vessels access to AQ beyond their HTR could be beneficial. We as with most others agree

that some form of scheme to allow new entrants into the sector is a must, although we are able to offer opportunities for those wishing to access the nephrop sector, to move beyond this without further support is nigh on impossible. The industry badly needs new blood both to crew vessels and provide our skippers of the future, therefore we would support further investigation on this point.

Environmentally the sector will evolve naturally over the next few years, MPA's, PMFs along with further work around emissions and carbon footprint will all evolve over the coming years and it is our opinion that by forcing these issues by attempting to link them unnecessarily to quota allocation will only force people away from the sector negating any benefit arising from AQ." [West of Scotland Fish Producer's Organisation and Orkney Fish Producer's Organisation]

Supportive comment relating to **environmental** factors centred on the potential for diversification of vessels enabling greater adoption of fishing techniques such as hook and line and adding variety to the composition of the fleet targeting different species, as well as reducing the emissions associated with fishing if it could be landed locally. Supportive respondents made various suggestions for introducing new vessel types into the Scottish fleet that could target particular AQ species.

"...Support for such diversification could extend to supporting the construction (or import), plus trial and demonstration of novel types of fishing boats - or boats using fishing gears that are less familiar to Scottish fishermen. Potential examples might include:

- 'auto-liners' like those used in the Norwegian long-line fishery for ling in Scottish waters.
- multi-purpose whitefish/pelagic fishing boats like those that form part of the Irish fleet (for example: [\[link to Irish fleet vessels\]](#))
- small pelagic fishing boats like some of the Norwegian boats that fish regularly in Scottish waters (for example: [\[link to Norwegian vessels\]](#)).

However, we would stress that achieving meaningful diversification will require more than just short-term hand-outs of additional quota. For example, diversification of the Scottish pelagic fleet would require additional pelagic licences to be granted." [Organisation – anonymous response]

"Several of smaller inshore vessel did invest in automated jigging machines and were successful in catching mackerel and haddock. However, the monthly allocations were too small to enable them to develop their opportunities to catch sufficient volumes to justify transportation costs and being able to guarantee steady supplies over a long period. Sufficient quantities of AQ for some species would enable those vessels to develop their business and gain support from local processors if regular long term supplies could be guaranteed to provide steady volumes to customers." [Western Isles Fishermens' Association]

However there was also opposition on environmental grounds: there was concern that retaining some AQ for this purpose was unfairly removing opportunities from whitefish and pelagic businesses to address issues existing in the shellfish fishery.



There was also concern that diversification could be used to unsustainably fish other species.

“Using AQ as a diversification incentive “away from shellfish stocks” is a poor solution to what is ultimately a management issue relating to the shellfish stocks. This issue should be resolved at source by better managing catches, effort and establishing a spatial plan, not by creating a distraction via this approach.

Using AQ to resolve overfishing and poor management would not meet the duties of Section 25 of UK Fisheries Act.” – [Open Seas]

### **Scottish Government Summary Response to Diversification Opportunities**

While there was support for this proposal, many questioned whether quota alone would allow for business diversification and set out that broader infrastructure requirements were often necessary. Some objected to the premise that there should be diversification of opportunity through AQ.

What was noticeable, was a perception in responses that this offered a route for new entrants to the fishing industry – and many highlighted the barriers to entering the industry that currently exist.

Having considered responses, the Scottish Government will not develop this proposal further at this time.

We note however, that many of the issues identified could be addressed through other AQ delivery mechanisms. In particular if community quota schemes are developed these could deliver on some of the issues identified in responses – such as diversification of fishing opportunity and allowing for new entrants.

### **Call For Evidence – History of Compliance with Regulatory Requirements Relating to Fishing**

Section 25 of the Fisheries Act 2020 sets out that the history of compliance with regulatory requirements related to fishing is a possible basis for the allocation of quota and this was considered as an option for possible further exploration.

#### **Benefits arising**

Those supportive of this proposal set out their views that the existing compliance regime was not sufficiently dissuasive, and there were **social** and **environmental** benefits to exploring additional measures to change behaviour. The idea of removing AQ from vessels with repeated or serious compliance breaches, paired with redistributing resulting AQ, was offered as a way to incentivise greater compliance.

“The existing penalties and traffic light system do not sufficiently de-incentivise illegal fishing, this is evidenced by some companies being repeatedly issued with FPNs or prosecuted - several such examples exist including individual boats repeatedly offending. Additional penalty would be

helpful and would also act as a mechanism to reward compliance.” [Open Seas]

“Vessels in continuous breach of regulations should be penalised, and losing access to additional quota or excluding them from sea areas where they damage fishing gear or such similar breaches should be considered. Losing access to AQ would be considered a fair and proportionate penalty for fishing related breaches.” [Western Isles Fishermen’s Association]

## **Costs Arising**

Respondents who did not favour considering this principally said this was because the existing penalties issued through administrative action or the courts were the appropriate punishment, and they felt withdrawing quota was penalising a vessel twice for the same offence. Rather than adding a new method of incentivising compliance, some suggested that the existing regulations (and their enforcement) should be reviewed instead.

“In our view it would be wrong to explore this option as in withholding of quota may result in a vessel being penalised twice for infringements that are not quota management related.” [North East of Scotland Fish Producers Organisation]

“[Organisation] feels that actively fostering sustainable/low-impact operations is more effective than a repressive approach to non-compliance (carrot rather than stick). Realistically there are several ways around withheld access (changing vessel, changing owner company, etc). For us, the additional work implied for the Marine Directorate would not seem to carry any significant payback. At the same time and more generally, penalties relating to legislative and regulatory non-compliance should be more stringently applied and monitoring should be stepped up.” [Organisation – anonymous response]

The specific offenses suggested that might attract withdrawal of AQ were varied, and covered **economic**, **social** and **environmental** concerns. Over-quota landings, undeclared landings, landing undersized fish, using mesh below minimum, fishing in closed areas or seasons, damage to static gear, labour abuses, safety violations, poor welfare towards catch, poor record keeping, technical conservation or gear offences and non-compliance with the landing obligation were all suggested. As well as specific offences, another theme that emerged from comments was that this should be considered differently according to the seriousness of the breach, for example a longer period of ineligibility for AQ following a court conviction compared to an offense attracting an administrative penalty.

## **Scottish Government Summary Response to History of Compliance with Regulatory Requirements Relating to Fishing**

There were split views on utilising history of compliance with regulatory regimes as a basis for allocating AQ. In general, it was strongly advocated from eNGOs, some individual respondents and fishing associations; where it was seen as a way to bring

about behavioural change and encouraging compliance with regulatory requirements.

It was broadly opposed by those representing sectoral vessels, on the basis that if a vessel had already been punished for an offence, then this was sufficient. Again the additional administrative burden that this would place on the Scottish Government was highlighted.

Having considered, the Scottish Government does see merit in exploring withholding the allocation of AQ on the basis of non-compliance with regulatory requirements. We see this body of work tying in with the review of the penalties system which is to be undertaken as part of the Future Fisheries Strategy body of work.<sup>6</sup>

### **General comments and further suggestions for allocation not in this consultation**

Finally, we asked if there were other suggestions for the allocation of AQ that were not captured in the seven options presented, or if there were any general comments that they wished to make. Comments received were diverse with several suggestions for alternative allocation methodologies.

Some stated that none of the options presented placed sufficient weight on environmental criteria and there was a view that giving a greater/entire share of AQ to the inshore fleet was the best way to achieve this. Others stated that the existing methodology can be considered to meet environmental criteria in allocating quota from TAC set with scientific advice. The former group set out a variety of possible scoring and weighting schemes, for example, allocating quota based on a points-scoring system. Analogy was made to systems in place to access agricultural subsidies.

Another possibility, highlighted among responses, was auctioning or otherwise levying a charge for access to AQ, where this has previously been given to fishing interests by the Scottish Government for free.

The concept of linking access to AQ to some other benefit came through in many responses. For example, retaining AQ to fund apprenticeships, to fund the establishment of new classes of vessel or otherwise retain some for new entrants, giving to vessels that do not hold any HTR or giving to the non-sector in its entirety.

General comments received underlined that the fishing industry had made investments into the millions of pounds, founded in part upon assumptions about continued access to AQ and care should be exercised not to unduly disrupt this system. There was also some frustration with the timing of this consultation, in terms of being able to react to changes mid-year, and in light of the short time until the next Trade and Cooperation Agreement between the UK and the EU.

### **Scottish Government Summary Response to Additional Suggestions Received**

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<sup>6</sup> [Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/future-fisheries-management-strategy-2020-to-2030/pages/100/index.aspx)

Considerable thought and effort had gone into describing some of the alternative allocation methods and there is merit in exploring some aspects in future. Officials are open to dialogue on this.

Having considered the practicality of implementing the suggested alternative allocation methods we will be adopting some of the proposals set out by a number of respondents in relation to applications for quota (see outcome for Option 7 above). Aspects of this alternative option that will be taken forward are:

- The process will apply to the majority of a particular stock. In the first instance west of Scotland cod only, but depending on the success of the initiative, it may be extended to others.
- We will seek to open up allocations to groups other than Sectoral Groups, so that other organisations/entities can apply on behalf of sectoral vessels.

We may seek to introduce other criteria – such as social/economic factors – in addition to purely environmental ones, however to the extent that these factors can be considered separately, this is intended to give the most weight to environmental factors.

## **Section 5 - Outcome And Next Steps**

### **Consultation Outcome**

Following consideration of responses to the consultation alongside the obligations for national fisheries authorities when distributing fishing opportunities set out in Section 25 of the Fisheries Act 2020 and Joint Fisheries Statement and other evidence, the Scottish Government will until 2026:

- Allocate the greater share of Additional Quota based on historic track record of vessels in an annually updated reference period. In 2024 this will be the period 2015-19 and for subsequent years, the reference period will advance by one year.
- Allocate a proportion of Additional Quota to the non-sector group of vessels, with increases and minimum allocations for three stocks: North Sea Cod, North Sea Saithe and North East Atlantic Mackerel for 2024 and review others if required.
- Retain the option to allocate pelagic quota received in-year as a result of quota transfer agreements with other coastal states on an equal basis among eligible vessels.
- From 2025, AQ for West of Scotland Cod will primarily to sectoral vessels following an application process based on environmental criteria, in particular the use of selective gear and fishing techniques with a reduced impact on the environment. Because an application process must be designed and implemented, this will start from 2025. If this initiative is successful we may extend it to other stocks.
- Investigate the potential development of Community Quota Initiatives, with this allocation methodology potentially being adopted in future years.

- Explore whether non-compliance with fishing regulations could be used as a basis for withholding access to AQ as part of the body of work to review the penalties system.
- We envisage that any expansion of the application process or development of Community Quota Initiatives will primarily utilise quota allocated in 2024 via HTR. Therefore we expect there to be a reduction in the amount allocated by HTR in the coming years.

This package of methods targets fishing opportunity at the active industry, while broadening access to opportunity among the non-sector, allows for further allocation with minimal administrative delay where more fishing opportunity is secured, and places greater emphasis on including environmental factors. It will be reviewed with the start of next TCA period.

## Next Steps

Details of allocation

Historic track record:

- HTR will function as it has for the period 2021-2023 except:
- From 2024, the reference period on which HTR is determined will change from the fixed period 2015-2019 to an annually updated reference period. In 2025 the reference period will advance by one year to 2016-2020, in 2026 to 2017-2021 and so on.
- Additional Quota will still be awarded to vessels that were active (an active Scottish vessel and licence) on 1 January of the year.
- There will be no change to arrangements when transferring HTR from one vessel to another.

Special allocations to the non-sector:

- Special allocations will continue to be received by the non-sector to broaden access to fishing opportunity and the resulting socioeconomic benefits, and to provide a diversification opportunity.
- Recognising where there has been high uptake in the period 2021-2023, special allocations to the 10 metre and under group of vessels will be increased for three stocks: North Sea Cod, North Sea Saithe and North East Atlantic Mackerel.

Stock	Minimum Special Allocation (tonnes)
North Sea Cod	200
North Sea Saithe	80
North East Atlantic Mackerel	450

- Existing discretion to reallocate or exchange quota where it has not been used by the non-sector will be retained.

- Allocations of mackerel to the over 10 metre non-sector group will be unchanged.

Allocation resulting from in-year transfers negotiated with other coastal states

- Where negotiations between coastal states result in the Scottish Government receiving further AQ to be allocated among eligible vessels, we will retain the option to allocate on an equal basis, to minimise administrative delay.

Applications for AQ for West of Scotland cod on environmental factors from 2025

- From 2025, West of Scotland cod will be allocated to sectoral vessels following an application process based primarily on environmental factors.
- At this time it is not possible to make individual allocations to non-sector vessels, so only sectoral vessels will be eligible to apply.
- An application process and assessment criteria must be developed which will commence in 2025.
- Allocation in 2024 will be based on estimated HTR.

Scottish Quota Management Rules

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

Future Arrangements

We note responses received relating to the calls for evidence, and we note responses that took a different view to how Additional Quota should be allocated and will give further consideration to these when revisiting allocation methods in future. As noted in the Joint Fisheries Statement, where this occurs it will be carried out in consultation with industry and other interested stakeholders.

## **Annex A: List Of Organisation Consultation Respondents**

Bf833 Ltd  
 Aberdeen Fish Producers Organisation Ltd  
 Adenia Fishing Co. Ltd.  
 Altaire Fishing Company Limited  
 Anglo Scottish Fish Producers Organisation Ltd.  
 Antares Fishing (Whalsay) Company Limited  
 Be Ready Fishing Company Ltd  
 Bells Fishmongers Ltd  
 Blue Marine Foundation  
 Bonnie Isle Fishing Company Ltd  
 Brighter Hope Fishing (Shetland) Ltd  
 Charisma Fishing Company Ltd.  
 Comhairle Nan Eillean Siar  
 Communities Inshore Fisheries Alliance (Cifa)  
 Community Of Arran Seabed Trust (Coast)

Denholm Fishselling Ltd  
Eastern England Fish Producers Organisation  
Fiskebas Fishing Company Limited  
Heather Fishing Company Ltd  
Interfish Producer Organisation Limited  
Jcjm Ltd  
Kincurdie Fishing Company Ltd  
Klondyke Fishing Company Limited  
Klondyke Quota Management Group Ltd  
Loranthus Fishing Company Ltd  
Lunar Qmg Ltd  
Mb Norlan Bf362 Llp  
Nesfo Ltd  
Northbay Fishing Company Limited  
Nw Regional Inshore Fisheries Group  
O.B. Fishing Company Ltd.  
Ocean Fish-Selling Co Ltd  
Open Seas  
Orkney Fisheries Association  
Our Seas  
Peter & J Johnstone Ltd  
Peterhead Port Authority  
Pitcairn Fishing Company Ltd  
Research Fishing Company Limited  
Scottish Creel Fisherman's Federation  
Scottish Environment Link (Supported By Marine Conservation Society, Rspb  
Scotland, Scottish Wildlife Trust)  
Scottish Fishermen's Organisation  
Serene Fishing Company Limited  
Shark Trust  
Shetland Fish Producer's Organisation  
Skerryvore Fishing Limited  
Sustainable Inshore Fisheries Trust (Sift)  
Tarlair Fishing Company Ltd  
The Don Fishing Company Ltd  
Wales And West Coast Fish Producer's Organisation  
West Of Scotland Fish Producer's Organisation & Orkney Fish Producer's  
Organisation  
Western Isles Fishermens' Association  
Zephyr Fishing Company Ltd.



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