

Partial Business and Regulatory Impact Assessment

Title of Proposal

Consultation on New Controls in the Queen Scallop Fishery in ICES Divisions VIa and VIIa

Purpose and intended effect

- **Background**

The queen scallop (*Aequipecten opercularis*) fishery has long been important for vessels and businesses in the Northern Irish Sea (area VIIa) and off the coast of the south west coast of Scotland and Northern Ireland (area VIa). The fishery around the UK as a whole was worth an estimated £5.9m in 2014, of which around 95% derived from these two areas.

However, in recent years there have been concerns over the exploitation levels of the stock (as evidenced by recent Isle of Man stock assessments and the loss of independent sustainability certification for Isle of Man queen scallops). In 2013 members of the queen scallop industry approached the UK and Isle of Man Fisheries Administrations seeking new management controls for the fishery and improved science and data gathering.

Following a series of meetings between Fisheries Administrations and representatives of the industry, it was decided that an increased minimum conservation reference size and entry restrictions into the fishery should be introduced by FAs to help manage effort and catches from the fishery. There was also support from industry for a flexible voluntary closed season based around the spring spawning event to remove effort during this time.

It has been agreed by Fisheries Administrations that new management measures should be introduced on a joint basis, across the fishery area, to help ensure that displacement from one area to another is avoided and that rules adopted by one FA to control removals/effort in the fishery are not circumnavigated by vessels landing into another area. It is also important that consistent regulations are applied across the area to ensure that biological and stock management considerations are addressed, so that stock levels can be increased as quickly as possible and with minimal and equitable impact across all fishing fleets.

- **Objective**

The purpose of the consultation is to:

- i. Seek views on management measures to be introduced in the short-term either through legislation or the licensing system. These are:
 - An increased Minimum Conservation Reference Size (MCRS) to either 50, 55 or 60 mm.
 - Entry restrictions – capping the number of vessels involved in the fishery. These measures are the primary concern of this BRIA.

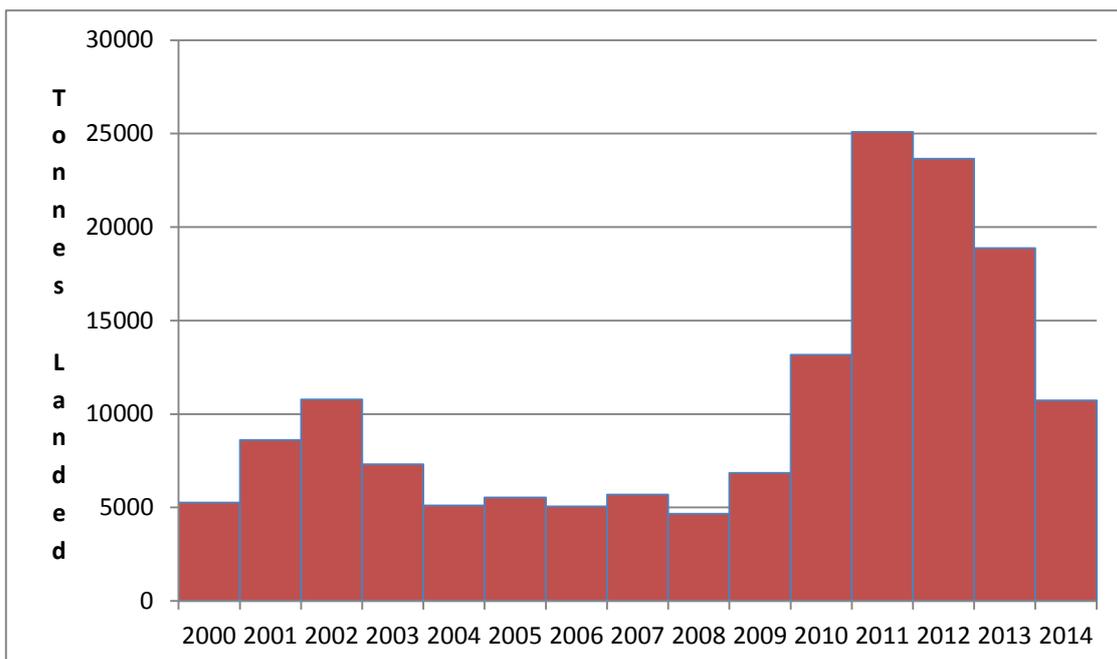
- ii. Seek views on the introduction of a closed season in the fishery. Either on a voluntary basis (i.e. one that is not enforced by Fisheries Administrations) or compulsory.
- iii. Gather broader information from stakeholders to inform future management considerations for the fishery. These are:
 - Effort restrictions
 - Quotas
 - Introduction of closed areas
 - Gear specific management

- **Rationale for Government intervention**

Since the 1960s queen scallops have formed an important income stream for vessels and businesses in the northern Irish Sea and south west of Scotland. In the last two decades, the fishery has developed and is now a multi-million pound industry (with landings worth £5.9 million into the UK and Isle of Man in 2014) providing employment in many coastal communities around the UK and Isle of Man.

In recent years there has been growing concern over the long-term sustainability of the stock. Around 2009 a strong biomass and favourable market conditions saw increased landings and many vessels joining the fishery. However, these increased landings have reversed since 2012 and there is growing concern over the health of the fishery.

Through introducing new management measures that help to regulate removals from the fishery and the number of vessels involved an important step will be taken to improve stability of landings, incomes, market supply, and ensure the long-term sustainability of the fishery.



Tonnes of Queen Scallop Landed into the UK and Isle of Man (2000-2014)

This contributes to the Scottish Government's National Performance Framework objective of valuing and enjoying our built and natural environment and protecting it and enhancing it for future generations.

Consultation

- **Within Government**

As this is a joint initiative, detailed discussions have taken place between:

- The Welsh Government
- Defra (Department for Environment, Food and Rural Affairs)
- DARD (Department of Agriculture and Rural Development)
- DEARA (Department of Environment, Agriculture and Rural Affairs)
- Marine Scotland (Sea Fisheries Policy, Compliance, Science)

- **Public Consultation**

This partial BRIA will accompany the consultation, which will be issued on 11 October 2016. The consultation document was informed through a series of meetings with queen scallop fishers, processors, fisheries administrations, scientists and others concerned with the fishery.

- **Business**

As stated above the management measures were informed by a series of meetings held between Fisheries Administrations and representatives from the queen scallop industry. This included: fishermen from a range of fishing vessels, several processors, fishing associations and producer organisations.

It is notable that industry initiated the request for increased management controls for this fishery, in response to perceived declines in catches and increases in fishing effort.

Options

Option 1 – Do Nothing

Maintain the current management arrangements in place for queen scallops. Where fishermen can continue to fish for the species in a way that complies with existing fisheries legislation.

Option 2 – Introduce new statutory or licence controls on:

- i. minimum conservation reference size for queen scallops

The purpose of a minimum conservation reference size (MCRS) is to help prevent the landing of juvenile individuals and to allow the majority of the population the opportunity to reproduce at least once before being harvested. An increase in MCRS should allow more individuals to reproduce before

capture, potentially increasing long-term yield and spawning stock biomass.

Since catch value is based on yield, it is also notable that any potential income loss associated with increasing the MCRS will be recouped when scallops are subsequently harvested at a later date.

Stock assessments carried out by Bangor University within Manx territorial waters show that there has been a decline in stock biomass and for the last two seasons (2014 and 2015) have advised that no commercial fishery should take place.

Anecdotal evidence from fishers/processors and the recent sharp decline in the tonnage of queen scallops landed would suggest that issues identified in Manx territorial waters may be more widespread, which is broadly confirmed by surveys and fishery data analysis by AFBI (Northern Ireland).

ii. limiting the number of vessels that can target the queen scallop fishery

Access to fisheries is often limited to ensure that the stock is not overexploited. This is a management control used for other key UK non-Total Allowable Catch species such as king scallops (scallop entitlement) and the main crab and lobster fisheries (shellfish entitlement).

For much of the previous three decades the number of vessels commercially exploiting queen scallops remained relatively low. However, following a strong recruitment and favourable market conditions the number of vessels participating in the fishery grew substantially in the years between 2010 and 2013 and the level of landings was far in excess of the long-term average.

Given fears over the decline in stock biomass and decreasing landings there are concerns that the current level of effort will compound the problem, inhibit recovery, and that additional vessels will make future management even more difficult.

Option 3 – Introduce a Closed Season

Introduce a period where fishers would not be able to target queen scallops in ICES areas VIa or VIIa either voluntarily or through statute or licence condition.

Representatives of the queen scallop sector have shown a preference for the introduction of a closed season during which industry would voluntarily desist from targeting the species. As was done during May 2016. This measure could be introduced in addition to, or separate from Option 2.

Sectors and groups affected

Licensed fishermen and queen scallop processing companies around the UK will be those most directly affected by the introduction of new management arrangements. Enforcement bodies, such as Marine Scotland Compliance, who will be responsible for the enforcement of these arrangements, will also be directly affected if statutory measures are introduced.

Costs and Benefits Analysis

Option 1 – Do Nothing

Benefits

- No change to the current management arrangements. Fishermen can continue to land queen scallops in compliance with existing legislation.

Costs

- Outside the Isle of Man there is a lack of long-term data on the fishery, although AFBI have been conducting wider surveys since 2013. Stock assessments from the Isle of Man show that in recent years there has been a large reduction in biomass and based on these stock assessments reduced fisheries have taken place in 2014 and 2015. Landings and anecdotal evidence suggests that the wider queen scallop fishery may be at a similarly reduced level, and AFBI data indicates a reduction in the catch per unit of fishing effort over time across area VIIa. A lack of management could result in the fishery becoming unsustainable and result in loss of income for fisheries-related businesses. The Isle of Man has for the past two years had a much-restricted fishery intended to recover stock biomass. This has had significant economic implications for Manx, and UK fishermen, and would be highly undesirable if repeated on a wider scale.

Option 2 – Introduce new statutory or licence controls

Benefits

- An increase in MCRS could increase the stock biomass (the total weight of the fish in a stock, and which can ultimately be harvested) and the spawning stock biomass (the total weight of the fish in a stock that are old enough to spawn, and hence help maintain the future population) of queen scallops in Areas VIa and VIIa.
- In the long term with an increase in MCRS the yield of queen scallops would be expected to improve as more individuals are recruited to the fishery and have the opportunity to reproduce. It is also thought that larger shellfish are able to produce larger quantities of and better quality reproductive matter.
- With an increased MCRS landings will be of a higher quality, a better size grade and more valuable and the cost of processing these smaller animals is reduced.
- A cap in the number of vessels able to prosecute the fishery will help to limit effort in the fishery and therefore help with its long-term sustainability
- Improved reputation of the sector, both in terms of management responsibility and also for higher quality, larger product.

Costs

- There could be an initial reduction in landings as scallops in the category 40-50 mm could no longer be landed. However, the economic impact should be temporary, and at least partially recouped with the subsequent landing of larger, higher-value scallops.
- Depending on what entry criteria is introduced. Vessels with no or a limited uptake in the fishery could be restricted for prosecuting the fishery in the future.

Option 3 - Introduce a Closed Season

Benefits

- Reduce fishing effort on the stock for a period.
- If timed to coincide with the spring spawning, it should improve the likelihood of increased successful spawning and juvenile recruitment.
- If introduced on a voluntary basis this would allow for unexpected consequences to be analysed before the introduction of possible statutory measures.
- Improved reputation of the sector for stewardship and management.
- Reduced environmental (seabed) impact, if subsequent fishing effort is also better managed.

Costs

- Vessels may divert effort into other fisheries where effort is already high.
- Vessels/processors are likely to see a reduction in revenue as a result of the closure.

If introduced on a voluntary basis

- Vessels may not adhere to a voluntary closure and damage the reputation of the sector.

Scottish Firms Impact Test

It was representatives of the queen scallop fishing and processing sector that first approached the different Fisheries Administrations seeking new management measures and greater research for the fishery. Following these approaches a series of meetings between FAs and representatives of the queen scallop sector ensued. These management measures have been extensively discussed with various queen

scallop businesses and Fisheries Administrations. There is an expectation from industry members of a short-term impact, but the flexibility of proposals is intended to minimise these and the long-lead time is expected to allow for contingency planning.

Competition Assessment

We do not anticipate any impact on competition. However, this section will be updated after the consultation.

Test run of business forms

In order to improve our understanding, Fisheries Administrations may require vessels prosecuting the queen scallop fishery to complete additional information related to catch. However, any such data collection will be introduced in discussion with industry.

Legal Aid Impact Test

The proposed new management measures have been discussed with the Scottish Government Access to Justice Team, who have agreed that they should have no impact on the legal aid fund.

Enforcement, sanctions and monitoring

Marine Scotland Compliance is responsible for the monitoring and enforcement of marine and fishing laws in Scotland, and equivalent organisations in other jurisdictions. Fishery Officers have the power to perform inspections of fishing vessels at sea or in ports, fish markets and processing factories, in order to ensure compliance with legislation. Where a breach of fisheries regulations has been detected, it will be reported as appropriate to the prosecuting authorities. This can result in a fine of up to £50,000.

Implementation and delivery plan

The proposals will go out to consultation on 11 October 2016, running for 12 weeks and closing to responses on 3 January 2017. The proposed management measures would be introduced through new secondary legislation, or its equivalent elsewhere, or through the fisheries licensing system. The legislation would come into force in 2017.

- **Post-implementation review**

Compliance authorities will monitor the impact of new management arrangements on the queen scallop fishing industry, and consider any practical or unforeseen consequences as they arise.

Summary and recommendation

The Fisheries Administrations recommend Option 2 and Option 3, which will help to manage the fishing effort, increase the long term average yield and biomass of queen scallops, and therefore help ensure their long-term commercial and biological

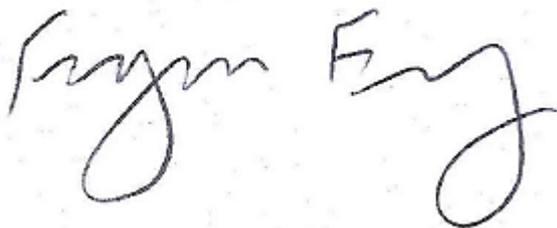
sustainability.

- **Summary costs and benefits table**

Option	Total benefit per annum: - economic, environmental, social	Total cost per annum: - economic, environmental, social - policy and administrative
1	Do Nothing	<p>Benefits</p> <ul style="list-style-type: none"> - No additional benefits would result <p>Costs</p> <ul style="list-style-type: none"> - No cost as it maintains status quo, although there are potentially significant longer-term costs if the fishery stock collapses
2	Introduce an increased MCRS and entry restrictions	<p>Benefits</p> <ul style="list-style-type: none"> - Could increase stock and spawning stock biomass, and increase value and quality of the fishery products - Yield would be expected to improve - Processing costs reduced - Better manage effort and long-term sustainability - Improved reputation of sector <p>Costs</p> <ul style="list-style-type: none"> - Initial reduction in landings with higher MCRS - Limited entry restricts ability of vessels to diversify
3	Introduce a closed season	<p>Benefits</p> <ul style="list-style-type: none"> - Reduce fishing effort for a period - If timed to coincide with spring spawning could help improve the recruitment and stock biomass - Improved reputation of sector <p>Costs</p> <ul style="list-style-type: none"> - Vessels may divert effort to fisheries where effort is already high - Vessels may not adhere to voluntary arrangements - Vessels/processors are likely to see a reduction in revenue as a result of the closure

Declaration and publication

I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed:**Date:**

6 October, 2016

Fergus Ewing
Cabinet Secretary for the Rural Economy and Connectivity

Scottish Government Contact point:

Malcolm MacLeod

Marine Scotland
Area 1B South
Victoria Quay
Edinburgh
EH6 6QQ

0131 244 4421

malcolm.macleod@gov.scot