

<b>Title:</b> <b>Crustacea and Mollusc Permitting and Pot Limitation (Byelaw 4)</b>  <b>IA No:</b> NIFCA 005  <b>Lead department or agency:</b> <b>Northumberland Inshore Fisheries and Conservation Authority (NIFCA)</b>  <b>Other departments or agencies:</b> <b>MMO, Natural England, Defra</b>	<b>Impact Assessment (IA)</b>
	<b>Date:</b> 19/08/2015
	<b>Stage:</b> Consultation
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Secondary Legislation (byelaw)
	<b>Contact for enquiries:</b> <b>Jon Green Deputy Chief IFCO NIFCA</b> <a href="mailto:Jon.Green@nifca.gov.uk">Jon.Green@nifca.gov.uk</a> <b>01670797676</b>
<b>Summary: Intervention and Options</b>	RPC Opinion: N/A

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
£m	£	NA	No   NA
<p><b>What is the problem under consideration?</b></p> <p>IFCAs are required to review their legacy byelaws by April 2015, consolidating/correlating regulations with adjoining IFCAs to give consistency across the country, as well as reflect changes to district boundaries and organisational makeup.</p> <p>The subject of this impact assessment (IA) is one byelaw which will replace the NIFCA's legacy byelaw (regulation) 13 Permit to Fish for and Sell Lobsters, Crabs, Velvet Crabs, Whelks and Prawns, and byelaw (regulation) 15 Pot limitation.</p> <p><b>Why is government intervention necessary?</b></p> <p>Government intervention is required to redress market failure in the marine environment by implementing appropriate management measures (e.g. this byelaw) to conserve features to ensure negative externalities are reduced or suitably mitigated. Implementing this byelaw will ensure continued provision of public goods in the marine environment. This IA is written in accordance with the Governments Marine Policy Statement and takes into account decisions affecting the marine environment.</p> <p>Specifically, this byelaw will support the long term sustainability of shellfish by regulating fishing effort upon shellfish stocks.</p>			

<p><b>What are the policy objectives and the intended effects?</b></p> <ol style="list-style-type: none"> <li>To sustainably manage lobster (<i>Homarus gammarus</i>), edible crab (<i>Cancer pagurus</i>), velvet crab (<i>Necora puber</i>), whelks (<i>Buccinum undatum</i>) and prawns (<i>Nephrops norvegicus</i>) stocks through regulation of fishing effort.</li> <li>To make relevant regulations easier to navigate for resources users to increase rates of compliance.</li> </ol>
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**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

The following policy options have been considered through this IA:

The following policy options have been considered through this IA:-

0. Do nothing-leave the legacy byelaw regulations as they stands
1. Use of non-regulatory/voluntary measures
2. Revise the existing legacy byelaw regulations into one potting byelaw
3. Maintain the current number of potting byelaws (currently 2)
4. Revoke the current legacy byelaw regulations

All options are compared to option 0. Option 2 is preferred as it will update these byelaws and bring them in line with other revised byelaws.

**Will the policy be reviewed? It will be reviewed. If applicable, set review date: 6 years**

Does implementation go beyond minimum EU requirements?			<b>No</b>		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro Yes</b>	<b>&lt; 20 Yes</b>	<b>Small Yes</b>	<b>Medium Yes</b>	<b>Large Yes</b>
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded: N/A</b>	<b>Non-traded: N/A</b>	

I have read the 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.

Signed by the responsible SELECT SIGNATORY: \_\_\_\_\_ Date: \_\_\_\_\_

Summary: Analysis & Evidence Policy Option

Description:

**FULL ECONOMIC ASSESSMENT**

Price Base Year 2015	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV) (£m))		
			Low: N/k	High: N/k	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excluding transition) (Constant Price)	Total Cost (Present Value)
Low		Optional	Optional
High		Optional	Optional
Best Estimate	£700	£21840	£176378.82

**Description and scale of key monetised costs by ‘main affected groups’**

- Transitional cost of £700 relates to implementing the new byelaw by the IFCA.
- Introduction of a £180 annual administration fee for commercial pot fishermen and a £10.00 fee for recreational fishermen. In 2013 there were 113 shellfish permits issued therefore costs are currently estimated at £20340. It is estimated that there are currently 150 active recreational potters therefore costs are currently estimated at £1500

**Other key non-monetised costs by ‘main affected groups’**

- There are no other non-monetised costs to either the fishermen or IFCA.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

**Description and scale of key monetised benefits by ‘main affected groups’**

- There are no key monetised benefits identified.

**Other key non-monetised benefits by ‘main affected groups’**

- To maintain, with a view to enhancement of, sustainable stocks by analysis of permit returns.
- Consolidation will ensure that that the regulations are easier to navigate for resource users and to increase the levels of compliance while ensuring that the fisheries continue to be sustainable.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	<b>3.5%</b>
<ul style="list-style-type: none"> <li>Fishing levels remain static, particularly with regards to total number of pots being fished</li> <li>Shellfish stocks are currently being fished at or below safe biological limits</li> </ul>		

## BUSINESS ASSESSMENT (Option 1)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>In scope of OITO?</b>	<b>Measure qualifies as</b>
<b>Costs: N/A</b>	<b>Benefits: N/A</b>	<b>Net: N/A</b>	<b>No</b>	<b>N/A</b>

## Evidence base

### 1. Introduction

#### What is the problem under consideration?

IFCAs are required to review their legacy byelaws by April 2015 consolidating/correlating regulations with adjoining IFCAs to give consistency across the country, as well as reflect changes to district boundaries and organisational makeup. IFCAs are also required to update byelaws in order to modify them to acknowledge the change over from Sea Fisheries Committees to IFCA's.

The subject of this impact assessment (IA) is one byelaws which will replace the NIFCA's legacy byelaw (regulation) 13 Permit to Fish for and Sell Lobsters, Crabs, Velvet Crabs, Whelks and Prawns, and byelaw (regulation) 15 Pot limitation.

### 2. Rationale for intervention

The nationally agreed vision of the IFCAs is that they will "lead, champion, and manage a sustainable marine environment and inshore fisheries within their Districts by successfully securing the right balance between social environmental and economic benefits to ensure healthy sea, sustainable fisheries and a viable industry".

Section 153 of the Marine and Coastal Access Act 2009 details the management of inshore fisheries as follows (extract):

The authority for an IFCA district must manage the exploitation of sea fisheries resource in that district in performing its duty under subsection (1) the authority for an IFCA district must:

- Seek to ensure that the exploitation of sea fisheries resources is carried out in a sustainable way.
- Seek to balance the social and economic benefits of exploiting the sea fisheries resources of the district with the need to protect the marine environment from or promote its recovery from the effects of such exploitation.
- Take any other steps which in the authorities opinion are necessary or expedient for the purpose of making a contribution to the achievement of sustainable development, and
- Seek to balance the differing needs of persons engaged in the exploitation of sea fisheries resources in the district
- (Subsection 10) In this Chapter "sea fisheries resources" means any animals or plants, other than fish falling within subsection (11) that habitually live in the sea, including those that are cultivated in the sea.

f) (Subsection 11)The fish referred to in subsection (10) are—

(a) salmon, trout, eels, lampreys, smelt and shad;

(b)any other fish of a kind which migrates from fresh to salt water, or from salt to fresh water, in order to spawn;

IFCA have duties to ensure that fish stocks are exploited in a sustainable manner, and that any impacts from that exploitation on designated features in the marine environment are reduced or suitably mitigated, by implementing appropriate management measures (e.g. this byelaw). Implementing this byelaw will ensure that fishing activities are conducted in a sustainable manner and that the marine environment is suitably protected.

Fishing activities can potentially cause negative outcomes as a result of 'market failures'. These failures can be described as:

- Public goods and services – A number of goods and services provided by the marine environment such as biological diversity are 'public goods' (no-one can be excluded from benefiting from them, but use of the goods does not diminish the goods being available to others). The characteristics of public goods, being available to all but belonging to no-one, mean that individuals do not necessarily have an incentive to voluntarily ensure the continued existence of these goods which can lead to under-protection/provision.
- Negative externalities – Negative externalities occur when the cost of damage to the marine environment is not fully borne by the users causing the damage. In many cases no monetary value is attached to the goods and services provided by the marine environment and this can lead to more damage occurring than would occur if the users had to pay the price of damage. Even for those marine harvestable goods that are traded (such as wild fish), market prices often do not reflect the full economic cost of the exploitation or of any damage caused to the environment by that exploitation.
- Common goods - A number of goods and services provided by the marine environment such as populations of wild fish are 'common goods' (no-one can be excluded from benefiting from those goods however consumption of the goods *does* diminish that available to others). The characteristics of common goods (being available but belonging to no-one, and of a diminishing quantity), mean that individuals do not necessarily have an individual economic incentive to ensure the long term existence of these goods which can lead, in fisheries terms, to potential overfishing. Furthermore, it is in the interest of each individual to catch as much as possible as quickly as possible so that competitors do not take all the benefits. This can lead to an inefficient amount of effort and unsustainable exploitation.

IFCA byelaws aim to redress these sources of market failure in the marine environment through the following ways:

- Management measures to conserve designated features of European marine site will ensure negative externalities are reduced or suitably mitigated.
- Management measures will support continued existence of public goods in the marine environment, for example conserving the range of biodiversity in the sea of the IFCA District.

- Management measures will also support continued existence of common goods in the marine environment, for example ensuring the long term sustainability of fish stocks in the IFCA District.

### 3. Policy objectives and intended effects

The intention of the consolidated Permitting and Pot limitation byelaw is to ensure that the regulations are easier to navigate for resource users and to increase the levels of compliance while ensuring that the fisheries continue to be sustainable. It will limit potting levels in the NIFCA District in the interest of conservation of the marine environment and also to establish a robust and cost effective permit scheme for efficient management by NIFCA of potting activity the levels of compliance while ensuring that the fisheries remain sustainable.

### 4. Background

Within the NIFCA District in 2013, static gear fishermen landed approximately 400 tonne of lobster<sup>1</sup>, with an estimated total first sale value of over £3.9 million<sup>2</sup>. In addition over 1000 tonnes of other shellfish, principally brown crab, velvet crab and nephrops were landed. This therefore contributes significantly to the local economy. Over 113<sup>3</sup> licensed permit holders are reliant on the long-term sustainability of this fishery which provides a high value return<sup>4</sup>, additionally several of these permit holders will target whitefish with set nets which can assist in relieving pressure on shellfish stocks. By capping the number of pots to 800 per vessel overall fishing effort can be controlled, the introduction of this limit was industry led<sup>5</sup> and has good support<sup>6</sup>. The requirement for Fishermen to submit a permit return each month is a means to accurately assess fishing effort and catch rates; this in turn allows the NIFCA to bring in appropriate management measures if required. Since 2009 over 500 recreational shellfish fishermen have received 5 pot tags, it is currently estimated that approximately 150 of these are currently active.<sup>7</sup>

IFCA's high level objectives are to review all legacy byelaws by April 2015. As a result of the review, some byelaws will be remade, some will be amended, others will be amalgamated and those that are irrelevant or no longer needed will be revoked. The subject of this impact assessment (IA) is one byelaw which will replace the NIFCA's legacy byelaw (regulation) 13 Permit to Fish for and Sell Lobsters, Crabs, Velvet Crabs, Whelks and Prawns, and byelaw (regulation) 15 Pot limitation. The current situation is that the multiple legacy byelaws were made over a number of years responding to the needs at the time to ensure individual fisheries were managed at sustainable levels. It is now felt that it is more appropriate the byelaws are consolidated which will ensure that that the regulations are easier to navigate for resource users and to increase the levels of compliance while ensuring that the fisheries continue to be sustainable.

### 5. The options

The following policy options have been considered:

#### Option 0: Do nothing

This option would involve allowing the existing NIFCA management regime to continue unchanged. While this would allow continued fishing at the same levels it is not in keeping with

<sup>1</sup> NIFCA permit return information 2013

<sup>2</sup> Marine Management Organisation Average prices landed by UK vessels into the UK 2010

<sup>3</sup> NIFCA permits issued 2013

<sup>4</sup> Marine Management Organisation Average prices landed by UK vessels into the UK 2010

<sup>5</sup> Correspondence to Northumberland SFC 2005

<sup>6</sup> Consultation with industry 2006

<sup>7</sup> NIFCA officer observations

national guidelines for a byelaw review of legacy byelaws. This option does not take into account the change from SFC to IFCA. It also does not allow for changes that have occurred in fishing practice and the increased need to protect the environment and fish stocks. It would also not allow future changes in fishing patterns to be observed and accurately recorded.

#### Option 1: Use of non-regulatory/voluntary measures

Due to the size of the district, the number of vessels<sup>8</sup> operating in the potting fishery and the need for 100% compliance to be effective, it is believed that voluntary agreements wouldn't enable NIFCA to achieve the stated objectives. Within the fishing sector fishermen tend to exploit a fishery to the maximum when opportunities allow. If there is the potential for financial reward it is felt that they would take the opportunity to fish regardless of any non-regulatory/ voluntary measures in place. When byelaws are in place a high level of observance of regulation occurs, particularly as there are no ambiguities.

#### Option 2: Revise the existing legacy byelaw regulations into one potting byelaw.

A new conservation regulation covering the entire NIFCA area encompassing legacy byelaws. Unifying these static gear specific byelaws under one umbrella byelaw reduces regulatory burden and makes it easier for interested parties to reference. Such a regulation would unify multiple provisions that have a common conservation and economic objective, and allow for a phased approach to improved management.

#### Option 3: Maintain the current number of crustacea byelaws

A separate byelaw for each regulation. Currently, there are two static gear specific byelaws regulating the potting fishery within the district. Processing numerous and disparate byelaws individually would increase regulatory and consultation fatigue within the industry and increase paperwork burden.

#### Option 4: Revoke the current Byelaw regulations

This option would remove management regime and potentially lead to unrestricted fishing and potential stock collapse.

### **Preferred Option**

Option 2, was determined as the most appropriate method of managing the potting fishery and assist in managing commercial crustacean stocks within the NIFCA district. The new byelaw will unify two potting specific provisions, thereby allowing for ease of communication of the regulations to the target audience. Each of the regulations has common objectives and similar impacts on the fishery.

### **Under the preferred option, the changes to byelaws 13 and 15 are;**

The introduction of an annual administration fee, £180 for commercial fishermen and £10 for recreational fishermen.

Commercial tags will now be renewed every 3 years and recreational tags annually.

## **6. Analysis of costs and benefits**

The introduction of the annual £180 administration fee for commercial fishermen and £10 for recreational fishermen is proportionate and will allow the NIFCA to have an up to date record of potting activity within the district.

The continued requirement to submit a monthly return will allow NIFCA to fully understand the exploitation rates in particular of this fishery.

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<sup>8</sup> In 2013 NIFCA issued 113 shellfish permits

## **7. Consultation**

Amendment of the NIFCA's legacy regulations have been subject to discussion and consultation over a number of years including a 28 day public consultation process throughout the NIFCA district, thus exceeding the minimum guidelines. Five stakeholder meetings have taken place within the NIFCA District in which a number of stakeholders participated from a diverse range of interest groups. Comments from these stakeholders were considered and where appropriate changes to the byelaws were made. These changes were minor in nature, and on the whole the changes to the byelaws are well supported by the industry and other stakeholders.

## **8. Implementation**

The NIFCA would expect to implement these revised regulations before the end of 2015. This is existing regulation and resources are already in place to actively enforce its provisions. Although no additional implementation costs are expected the wider application of the revised regulations could increase the number of formal enforcement actions taken (but this cannot be estimated accurately at this stage). Any subsequent changes in compliance and enforcement actions will be monitored through the Post Implementation Review Plan. This plan will form part of the NIFCA annual plan and will be published on the NIFCA website.

## **9. Conclusion**

### ***Recommended option:***

Option 2, was determined as the most appropriate method of managing the potting fishery and assist in managing commercial crustacean stocks within the NIFCA district. The new byelaw will unify two potting specific provisions, thereby allowing for ease of communication of the regulations to the target audience. The purpose of this byelaw is to permit fishing for shellfish on a regulated basis to prevent over fishing and ensuring conservation of stocks, by ensuring that the exploitation of shellfish stock by the potting fleet is maintained at a sustainable level, this will be achieved by limiting effort and by monitoring exploitation levels through the permit returns. Monitoring catches will be further enhanced through regular surveying of catches at sea and at point of landing or at wholesalers. The new Crustacea and Mollusc Permitting and Pot Limitation byelaw remains similar to the NSFC byelaw and remade to bring it into line with the requirements contained in the Marine and Coastal Access Act 2009.



## Annex A: Policy and Planning

Which marine plan area is the management measure in?

- Within Northumberland IFCA district currently there is no Marine Plan.

Have you assessed whether the decision on this management measure is in accordance with the Marine Policy Statement and any relevant marine plan?

- There is no relevant Marine Plan.
- When assessing these byelaws due regard was given to the UK Marine Policy Statement, the byelaws contribute to the following;
  - The achievement of sustainable development of marine areas.
  - Promote sustainable economic development.
  - Ensure a sustainable marine environment which promotes healthy, functioning marine ecosystems and protects marine habitats, species and our heritage assets.
  - Contribute to the societal benefits of the marine area, including the sustainable use of marine resources to address local social and economic issues.
  - Achieve integration between different objectives.
  - Recognise that the demand for use of our seas and the resulting pressures on them will continue to increase.
  - Manage competing demands on the marine area, taking an ecosystem-based approach.
  - Enable the co-existence of compatible activities wherever possible.