

Environment, Food and Rural Affairs Committee

Oral evidence: UK Seafood Fund, HC 290

Tuesday 7 June 2022

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Members present: Sir Robert Goodwill (Chair); Ian Byrne; Geraint Davies; Rosie Duffield; Barry Gardiner; Dr Neil Hudson; Mrs Sheryll Murray; Julian Sturdy; Derek Thomas.

Questions 1 - 93

Witnesses

I: Barrie Deas, Chief Executive, National Federation of Fishermen's Organisations; Elspeth Macdonald, Chief Executive, Scottish Fishermen's Federation; Hamish Macdonell, Director of Strategic Engagement, Salmon Scotland.

II: Mark Simmonds, Director of Policy and Communications, British Ports Association; Jimmy Buchan, Chief Executive, Scottish Seafood Association; Simon Potten, Head of Training (Safety and Services), Seafish.

Written evidence from witnesses:

- [National Federation of Fishermen's Organisations](#)

Examination of Witnesses

Witnesses: Barrie Deas, Elspeth Macdonald and Hamish Macdonell.

Q1 **Chair:** Welcome to what is my first meeting of this Committee since being elected Chair. First of all, I put on record my thanks to Neil Parish for all the amazing work he did on this Committee when he was Chair. I hope to be able to perform at least as well as him in this role.

This is our evidence session on the UK Seafood Fund and for our first session we have Barrie Deas, Elspeth Macdonald and Hamish Macdonell. Barrie and I are old friends from my time as Minister, and I knew Elspeth's predecessor very well indeed. Could you just introduce yourselves briefly before we move on to the questions, starting with Barrie?

Barrie Deas: I am chief executive of the National Federation of Fishermen's Organisations, which is the representative body for fishermen and vessel operators in England and Wales.

Elspeth Macdonald: I am the chief executive of the Scottish Fishermen's Federation, representing fishing vessels and owners in Scotland. We have eight constituent associations making up the Federation and we represent vessels from very small inshore to large offshore trawlers catching whitefish, shellfish and pelagic fish.

Chair: Thank you for not mentioning you catch more fish than the English fleet as well.

Hamish Macdonell: I am the Director of Strategic Engagement for Salmon Scotland. Salmon Scotland is the trade body for all of Scotland, so all of the UK's salmon producers, producing the best-selling fish in the UK and the biggest food export for the UK.

Chair: Yes. Cheaper than cod; it is amazing, isn't it?

Hamish Macdonell: It may be somewhere.

Q2 **Chair:** Obviously when the Seafood Fund was announced, it was seen as a bit of a consolation prize for the industry when we did not get immediate control of our waters and there was a five-year transition period. In many ways, it reassured the industry that money that had previously been coming as part of EU funding would continue. Barrie, what are the challenges facing the fishing industry at the moment? Are those challenges reflected in the areas that are being prioritised in the fund as it is at the moment?

Barrie Deas: Chair, you are quite right that in many ways, although £100 million is a very large sum of money, this was very much the second prize in terms of the fishing industry and the fishing and economic opportunities that we expected to be associated with on leaving the EU.

Q3 **Chair:** Hopefully there is some jam tomorrow though, isn't there?



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Barrie Deas: There may be jam tomorrow. The fisheries chapter in the TCA—particularly the elements on access—runs until 2026, but what happens after that is very much an open question, I think.

To your question: what are the challenges facing the industry? The big ones of course are living with the Trade and Co-operation Agreement, the quota limits that we are under and also the non-quota constraints that apply. EU vessels are allowed to fish 40,000 tonnes of non-quota species, very important species—scallops, crabs, but also perhaps 200 others—in UK waters. We are allowed to fish for 12,000 in EU waters, so the lack of symmetry that was there within the Common Fisheries Policy has extended into the Trade and Co-operation Agreement.

Also, because of the acceleration of offshore wind and the Government's plans for management measures for marine protected areas, there is a forthcoming—what we are calling—spatial squeeze, which we believe will cause large-scale displacement from customary fishing grounds unless very carefully managed. We think that has a real potential to damage fishing businesses and fishing communities. That is another big one.

Then there are immediate short-term problems: fuel costs in particular. No surprise there. However, when fuel costs go above 50% of your running costs it isn't viable to go to sea. There was a spike this week in prices. They are up again, so that is potentially an existential threat to certain parts of the fleet.

We think that the Fisheries Act provides a very good framework for future management of UK fisheries, but a lot is going to hang on the content of fisheries management plans and we are beginning to get to work on those. That is going to be a massive piece of work. Then there is decarbonisation, which affects us all. There are issues of labour supply, quite intimately tied up with Government immigration policy. There are some very major challenges.

But to answer your question, I don't think that the funds that have been made available and the structures that we are working in are particularly well-aligned with those.

Q4 Chair: Thank you. Elspeth, you are much more reliant on pelagic fishing in Scotland compared to England. Is that going to have similar effects?

Elspeth Macdonald: The majority of the UK's pelagic effort is in Scotland. There are some vessels in Northern Ireland, but certainly the pelagic fisheries make up a very significant part of our Scottish fisheries. Notwithstanding that, we have very important whitefish and shellfisheries both inshore and offshore.

I would echo much of what Barrie has said in terms of the challenges that the industry currently faces. It has been a very turbulent and volatile period for the industry since the start of the pandemic. The industry had to weather the storm—particularly the shellfish and whitefish fleets—in terms of demand basically falling off a cliff when the hospitality and food services sectors shut down, both at home and abroad. We hope that is



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largely behind us now but, none the less, what Barrie explained in terms of the hugely disappointing Brexit settlement was devastating for the industry. I think the loss of the ability to control access to our waters, which we had hoped would be a cornerstone of what the UK's approach would be, and to find ourselves in this position as an independent coastal state, but with our hands tied behind our backs, is very difficult and challenging. The other element of that that has made life difficult—and will continue to make our lives difficult—is that at best the quota share adjustments were modest.

Q5 Chair: Excuse me for interrupting, but was that not always going to be the case with zonal attachment? The fish stocks move, so they are not our fish: they are in Norwegian and EU waters. Therefore, realistically, wasn't that always going to be the situation?

Elspeth Macdonald: We had a very strong case on zonal attachment. Certainly, in Scotland, for 12 out of our 14 key species we had a very strong case on zonal attachment. Sadly, that opportunity was not taken. That weaves into another challenge that we face at the moment, which is about the fact that we know that there are changes happening at sea. We know there are changes in the distribution of our fish stocks. The problem we have is that fisheries science isn't keeping pace with those changes, which makes it very difficult for fisheries management and for practical fisheries operations. The £100 million fund does have a scientific component to it, but I suspect it is not long term or sufficient enough to address those sorts of challenges.

I also echo what Barrie said about the spatial pressures that the industry is facing, particularly from the very rapid expansion of offshore wind. In Scottish waters we expect to see development of floating offshore wind farms, which will create a spatial conflict with fisheries.

A particularly Scottish element is that in Scotland we now have the Bute House Agreement between the Scottish Government and the Scottish Greens. That has brought a very rapid escalation of highly protected marine areas and up to 10% of Scottish waters will be designated as areas not available for any type of marine activity.

There are many challenges the industry faces. The £100 million fund will go some way to addressing that but there are many challenges that we face, which will require more than money and will need political will and support to address.

Q6 Chair: Thank you. Hamish, you are in a slightly different ballpark: aquaculture. Generally, most salmon is farmed, isn't it?

Hamish Macdonell: It is. Thank you very much for the opportunity to speak to you today. You are right, sometimes we feel a bit like the forgotten relation when it comes to seafood, with all the attention that is on the core fishery sector.

First, I would like to echo some of the comments that Barrie and Elspeth have made in that we do share similar concerns. We have issues over the



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labour force. We have had the same kind of issues over the Covid-related shutdown of hospitality and access to distant markets that other seafood producers have had, and we have the same concerns over the marine protected areas as well that will be coming in.

As far as we are concerned, the number one issue that we face I think is slightly different. It is that we feel we should be growing faster than we are. We are not growing as fast as our Scandinavian neighbours and we are losing global market share. Scotland and the UK used to have a 10% share of the global salmon market. We now have a 6.5% share and, if the current trends continue, it will go down to about 3%. That is not because we are not growing. It is that we are growing at a much slower pace than our Scandinavian neighbours.

That is not necessarily something that this Committee or the UK Government can help us with. It is something we are working on with the Scottish Government and local authorities because it is mostly a planning issue. There are issues we have in just trying to get that growth unlocked. That is the main thing for us.

The international market for Scottish salmon is very good and we can sell it pretty much anywhere in the world. We have the capacity there to grow and get back that market share. The Seafood Fund itself will not directly help, but I hope that parts of the Seafood Fund related to science, innovation, skills and the money that is there for export promotion will help. We hope that that will help us to push on to where we need to be.

Q7 Chair: I can probably guess part of the answer to this next question. Have the Government engaged with and listened to the sector in designing the Seafood Fund, Hamish?

Hamish Macdonell: There was some engagement. We did have engagement before the fund was launched. From a personal point of view, I feel we could have been more involved in drawing it up rather than being informed as to what was going to happen. The first meeting I had was with somebody who told me, "This is the shape it is going to be. These are the deadlines that we are working on." As I say, I think various parts of the fund are welcome and our members will appreciate them. Other parts could have been designed more with us and other fisheries sectors at an earlier stage.

Elsbeth Macdonald: Yes, I would echo that. We were perhaps more informed about how the fund was developing and shaping up rather than being involved in an element of co-design and helping to shape it. We appreciate that the Government generally were having to juggle an awful lot of balls during that particular period. It was during the pandemic and they were also dealing with the consequences of Brexit.

Everybody was working from home and I am sure officials were under a great deal of pressure. However, there could have been more and earlier engagement that could have helped to address some of the practical



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consequences of that and perhaps some of the problems that our members have faced that we will maybe come on to a bit later on.

Barrie Deas: Yes, not much engagement, I think that is true. We were presented pretty much with a fait accompli, with the possible exception of the Fisheries Science Partnership. As a concept, I think that was a reflection of the points that the industry had made but, generally speaking, there was a lack of overall strategy. We could have done with some kind of forum where we discussed the approach that was going to be adopted and the extent to which the issues aligned with the challenges that we face. That was very much missing.

There is a feeling within the catching sector, certainly among my members, that there is a lack of anything that is very meaningful for the grass roots, for fishermen and vessel operations. It is very much at a different level.

The other thing that is probably worth mentioning is it is a very large sum of money with a very short time span to spend it—unduly rushed, I think. There is a once in a decade chance to use this substantial amount of money for strategic purposes, and I think that was an opportunity missed.

Q8 **Chair:** Would you say value for money is being met with this fund or is it a case of getting the money out the door?

Barrie Deas: Looking back at almost every fund for fisheries included in the EU funds, when we look at it after the event it has not been value for money. This one would have to be strikingly different to break that mould.

The portal is particularly complex. For research institutions that are designed to apply for grants and maybe the larger corporate groups that have specialists on board it is fine, but for fishermen and small-scale operators our worry is that they will be excluded unless the fund can be adapted and made a bit more accessible as we go on. The other—

Chair: We are probably moving on to this in question two, so I will bring in Sheryll—the voice of the south-west—to take us through it.

Q9 **Mrs Sheryll Murray:** Thank you very much. Barrie, you know how far back I go with the fishing industry. I remember we benefited from grants to help us build a new boat before we even had the Common Fisheries Policy. When we withdrew from the EU, I was very struck by the fact that there was an announcement that said that a £100 million programme would be made available to modernise fleets and the fish processing industry.

What I would like to know from each of you is: what should the priorities be for the infrastructure scheme? Is there tension between the needs of the fishing, aquaculture and processing sectors? None of my constituents who fish have made me aware that they have been able to access any of this money to modernise the fleet, in order that we are prepared in five



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and a half years—well, it is not five and a half years' time now. It is more like two or three years' time. What help is being given for us to make sure that under UNCLOS, when those five and a half years are up, we are ready to be able to take all the fish that are in our waters?

Barrie Deas: There are two elements there. Is it a good idea to expand the fleet? We learnt a lesson in the 1980s and 1990s, when there were a lot of grants about—European and domestic grants—and we had an expansion of the fleet and what became an over-capacity problem, which in turn led to a conservation problem with the demersal stocks. That wasn't solved until there were large-scale Government decommissioning schemes, so you need to be very careful about the balance between the fishing capacity and available resources. I don't think it would be a good idea to expand the fleet before we know what our fishing opportunities are.

Q10 **Mrs Sheryll Murray:** Modernise our fleet so we can complete?

Barrie Deas: There are opportunities to modernise, particularly when you think about decarbonisation. A lot of decarbonisation will depend on what happens in other sectors and transferring that technology to fishing. There is some scope for electrification of the small-scale fleet. There are much more efficient engines that are available now that could be supported. If it is done carefully, modernisation is something that ought to be supported.

In terms of modernising the fleet and the 2026 date, yes, we need to be very careful about capacity. It is quite easy to do the wrong thing, and unintended consequences seem to be a big feature of fisheries management.

Q11 **Mrs Sheryll Murray:** Is there any help available from this £100 million to perhaps help fishermen adapt their vessels to comply with lower emissions?

Barrie Deas: I am told that it is very difficult for fishing vessel operators to access the funds, whether that is because the application process is so detailed and complex or whether it is the detailed rules. I am sure there will be others that can provide the detail on that.

Q12 **Mrs Sheryll Murray:** Elspeth, this statement that said that the £100 million programme was to modernise the fleet, can you give me any examples of where that money is delivering on that promise at the moment?

Elspeth Macdonald: In answering your question, perhaps I can add to the points Barrie made about post-2026. It is important we remember that there is going to be no golden El Dorado moment in 2026 in that, all of a sudden, all the fish in our waters become ours to catch. The quota shares that were agreed in the Trade and Co-operation Agreement are fixed from 2026 onwards. What happens then is, from the middle of 2026 and beyond that point, there will be a change in the way the parties negotiate access to waters. There may be some scope for us to leverage



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up the UK's share, but there is not going to be the very big opportunity that we had hoped for.

Chair: The figure I saw was an increase from 50% to nearly 66% of the available fish by June 2026. Therefore, it is a substantial increase but not what people may have expected that they were going to get from Brexit.

Elspeth Macdonald: Indeed. Certainly, when we look at that across some of the key commercial species, which is important, there are some real nuances there in terms of not enough of some of the things that we would need to catch and too much of the things that we cannot catch.

I would agree with Barrie in that it is quite challenging for individual vessel operators to be able to access some of this funding. We also see a willingness in the industry to invest in modernising their vessels. Obviously anything that vessels can do to reduce their fuel costs is economically and environmentally sensible because, as you reduce your fuel costs, you reduce your emissions.

We see some frustration from the shore side in terms of fishing businesses—some within my membership—which have been keen to try to develop better shore-side facilities in ports and harbours. The bureaucracy of the fund is quite challenging. Barrie has already alluded to the very tight timescale, so I think it is anything that involves a construction element, but the money has to be spent by March 2024. While I have members who are still bidding for funds through the infrastructure scheme, who are having to submit and upload huge quantities of documents, as Barrie said, these are generally relatively small businesses. They are not big companies that perhaps have lots of capacity for this.

There are particular problems around the scheme, which requires tenders and quotes to be no more than three months old. Anybody who has tried to get builders to quote for anything at the moment is facing challenges. There are some practical challenges in terms of how effectively the scheme is working and I think it is difficult for smaller businesses and small operations to access the funds.

Mrs Sheryll Murray: Hamish, do you have anything to add to that?

Hamish Macdonell: Just briefly, if I could. Your original question was about what the priorities should be for the infrastructure. As far as we are concerned, what would be of benefit are the kind of joint projects that would help the entire community. There are two I would like to briefly touch on. There is one that is right up in the north-east of Skye, which is the Staffin Community Harbour Project to replace the breakwater. It will not just help the salmon farmers who have the boats coming in. It will help all marine users and help tourists as well.

This is the sort of project that we believe would benefit from this kind of money. That project has been supported by the Scottish Government, Highlands and Islands Enterprise and the Highlands Council. However,



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because of some of the issues that Elspeth has pointed out to do with bureaucracy and tight timelines and so on, it has not been able to put in an application for the Seafood Fund. There is a similar project on Mallaig, which is looking for redevelopment and looking to dredge the harbour there. That would not just help our users but it would help all marine users.

One of issues that I think some of the companies in Scotland have found is that there is the Marine Fund Scotland and there is the UK Seafood Fund. People cannot apply to both and, because they are more used to the Scottish system and the Marine Scotland set-up, they are more likely to go for that rather than hedge their bets and go for something new. If there was a way of somehow making them work a little bit better together, community groups—like those behind the projects in Staffin in the north-east of Skye and also in Mallaig—might be better placed to get some of the money, which would really help them push those on.

Q13 Mrs Sheryll Murray: Thank you. You have answered one of the next parts of my question. Could I ask all three of you—starting with Hamish—would you like to see any change in focus for any subsequent moneys?

Hamish Macdonell: To pick up on the point I made about Marine Fund Scotland, if there could be close liaison with the Scottish Government to ensure that the two systems worked in parallel with each other so people did not have to choose between one or another, I think that would really help.

I think, if there was a bit more flexibility and a little more responsiveness, community groups like the one in Staffin that want to try to push on with this would not feel hamstrung by not conforming to the various categories that you have to do to get the infrastructure money. I think that the aim of it is very good. Agreeing with Elspeth, I think there are challenges there that have prevented, particularly, groups in Scotland from applying.

Elspeth Macdonald: Barrie and I both spoke—and Hamish from his perspective—about the wider challenges that our sectors face. There is an opportunity to think about some of the things that we spoke about at the outset that the fund doesn't address. Certainly, Barrie and I have spent quite a bit of this morning talking about the spatial pressures that are coming at sea. Might there be something there that the fund could focus on?

I think there are a lot of evidence gaps. When you look at the impact, for example, of electromagnetic fields and offshore wind on marine life, including commercial fish and shellfish as well as just marine organisms, there are a lot of evidence gaps about just what the effect of these developments will be. It might be an opportunity to look at some of those other pressures that the industry is facing to see if there are ways in which the fund could be used to address some of these.



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Barrie Deas: I suppose the question is: to what extent is there scope to change the focus at this stage in the process to address the wider challenges that Elspeth points out? A more strategic way of thinking. I mentioned earlier the fisheries management plans that will be so important in moving away from the Common Fisheries Policy, because what we are operating under at the moment is retained law and it will depend on the fisheries management plans.

There are issues there in collating the data and having adequate scientific underpinning for those fisheries management plans. That is a major issue, but that brings us back to the timing. What scope is there to extend the timing? Presumably that involves a conversation with the Treasury. There is also an opportunity for the industry to be involved in the design of the fisheries management and spending plans as well.

Q14 **Mrs Sheryll Murray:** Thank you. You have mentioned timing. I am going to ask this question, which I think most of you have answered but you may have something extra to add. Given that infrastructure projects take a long time to bring online, does the requirement for round 1 projects to be completed by March 2024 limit the kinds of projects that the fund can support?

Barrie Deas: It is a self-answering question, isn't it?

Mrs Sheryll Murray: It is. Anything to add to that?

Barrie Deas: I think that summarises it very well. The timeframe is a major constraint to getting it right.

Elspeth Macdonald: Yes, I agree.

Hamish Macdonell: I agree.

Q15 **Rosie Duffield:** We have heard that the application process is difficult for smaller businesses. How do you think that the second round can be improved to make it easier for them to apply? Who wants to start?

Elspeth Macdonald: Probably learning the lessons of the challenges that those who have tried to apply this time have faced. It would be very valuable to undertake some form of review of how that process has gone for those who have tried to apply for funds, what their experiences have been, where the barriers were and how these could be addressed and improved upon.

As I said, in relation to infrastructure, anybody who has tried to engage in any type of construction project—even a fairly small one—has probably struggled to get companies to engage, to be quick in turning things around, and to produce quotes. There are so many moving parts that any type of infrastructure project requires, particularly anything of a sizeable scale.

I would certainly welcome the Government doing some type of review of how this round has gone to try to learn the lessons and improve from that basis.



Q16 Rosie Duffield: Barrie, have you heard from some of your smaller vessels members that this is difficult for them?

Barrie Deas: Yes. The Cornish Fish Producers' Organisation, which has a significant number of smaller vessels, produced a very good summary. At one level, these are big sums of money so you can understand why public procurement rules apply. On the other hand, for example, when you look at the Fishery Science Partnership work—which is great in concept and it is good in here—what has happened is there has been a movement away from a tailored system that made sure that there was regional and sectoral equity in the system, to ensure everybody was treated fairly, to a competitive approach that does not guarantee that.

What happened previously was in one year, with the Fishery Science Partnerships, grants were given for one particular fleet segment or one particular area and there was a hole. Then the next year we would come back and fill that hole. Over time we made sure there was fairness in the system. That is not provided for in the current arrangements.

I was reasonably happy when I saw the list of grants in the first round. Quite a few industry players had got together, so there is scope to work within the system but it needs looking at. This is an issue that is recognised, it is a question about what can be done about it.

Rosie Duffield: Hamish, do you have anything to add?

Hamish Macdonell: To support what Elspeth said, but most of the projects that our members are involved in tend to be collaborative projects with at least one company and perhaps other smaller companies, and then involving local enterprise agencies, local authorities and so on. It would be good to feel that there was a real sense of collaboration with the UK Seafood Fund that fits in with all the other overlapping potential pots of money, which they might want to access.

Q17 Rosie Duffield: Is that something you would like to see changed for the second round of applications? Will you be able to feed that in as well?

Hamish Macdonell: Yes, it is not necessarily something that has to be written in. It would be good if there was a sense in which we felt that everybody was working together on the same page on this, whether it is DEFRA, the Scottish Government, local authorities, local enterprise bodies or companies.

Q18 Rosie Duffield: Is that the major change that you would like to see; that people are joining up a bit more?

Hamish Macdonell: Yes, I would like to see that.

Rosie Duffield: Is that the same for—

Elspeth Macdonald: It is quite a difficult landscape to navigate your way around in terms of the different pots, the different rules, particularly where you have projects where various parties are collaborating. We would certainly encourage clarity that Governments—plural—are able to



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bring to bear where businesses may be able to access funding and just to make it a bit easier for people to find their way around. It is a complicated landscape.

Chair: I think I am right in saying that the second and final round will be opening in the early autumn, and it is probably encouraging that DEFRA is considering what that will be but it is saying that it is likely to include a targeted funding for the fleet, which I guess is music to your ears. Barry, I think you have a follow-up on that and then you can come to your question.

Q19 **Barry Gardiner:** Barrie, what proportion of your members have under eight vessels or under 10 vessels?

Barrie Deas: Under 10 metres?

Barry Gardiner: Yes.

Barrie Deas: About 25% of our income comes from that part of the fleet.

Barry Gardiner: In terms of proportion of vessels?

Barrie Deas: I do not have that figure.

Q20 **Barry Gardiner:** Are you concerned that the small coastal communities with vessels as small as 5 metres do not have representation and, with a competitive process and a minimum spend of £250,000, many of those iconic beach-landing coves, the small ports, are going to miss out?

Barrie Deas: There is a challenge in representing that part of the fleet. If you think of the fishing industry as pyramid shaped, with a very wide base and a small number of vessels at the top and a large number of vessels at the bottom, some of those vessels at the bottom are very well-represented—I mentioned the Cornish Fish Producers' Organisation, for example, and other associations—but a lot of them are not in anything. They are not even in a local fishermen's association. That is problematic. It is a problem in terms of representation. It is a problem in terms of understanding what their views are, and I am sure it is a problem in terms of accessing the funds that you are talking about now.

Q21 **Barry Gardiner:** If I can take an example. If you had a small fridge or ice plant for those small boats in those harbours that would cost maybe about £100,000. It would improve the catch and the quality and, of course, the prices, but many of those ports do not have that facility. As an organisation, what steps are you taking to argue that it should not just be the big businesses, the big ports that benefit? That it should be these small fishers, these small ports that are getting the funding flowing through to them as well.

Barrie Deas: Right from the start of this process we have flagged up that this is a major problem. The system lends itself to the larger operators and research institutes that are required to be associates. From the start we have recognised that this is a problem but I think there are ways around it.



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Q22 **Barry Gardiner:** What response have you had from Government when you made those representations?

Barrie Deas: The point that we are making has been understood. I am not sure that it is very clear what has been done about it, though. The difficulty is that when you are applying public procurement rules that are relatively rigid and geared to a very different type of community it becomes problematic.

Q23 **Barry Gardiner:** If you were helping us to construct—as you are—the recommendations that we can make to the Government in our report, would it be one of your recommendations that the weighting that is currently given for social and economic sustainability at 10% and project location at only 5% should perhaps be upgraded, or that they should have a particular set of funds that are targeted towards these communities?

Barrie Deas: Both those options are worth exploring. It is the bureaucracy as much as anything—assistance with the bureaucracy. Not everywhere is the same. There are examples of fishermen's associations that have managed to negotiate the process. It is just if you look across the piece this is going to be problematic.

Barry Gardiner: Elspeth, is there anything you want to add? I focused on Barrie here.

Elspeth Macdonald: I might be able to give you some numbers to contextualise for Scotland. In Scotland as a whole, there are somewhere between 2,000 and 2,500 registered fishing vessels. I cannot remember the exact number, but it is in that range. I think about a quarter of those are vessels over 10 metres. Therefore, three quarters are vessels under 10 metres. As Barrie said, it is a pyramid

I don't have a great deal to add to what Barrie said. Something that the Scottish Government have certainly tried to do to look at that end of the fleet is they have tried to have a focus on looking at new entrants, bearing in mind that new entrants are likely to come in through smaller vessels but have perhaps needed some help with investing in a vessel, purchasing equipment and so on. That scheme has had some success. It has been able to attract some new entrants into the fleet that will probably come in at that entry point but over time might develop through the fleet.

Q24 **Barry Gardiner:** Moving on to the science and innovation scheme, DEFRA said there is a high degree of scepticism among fishers about the use of science for fishing. How do you think the scheme will help address that?

Barrie Deas: There may be a high degree of scepticism but the previous Fishery Science Partnership that ran from about 2004-05 was a way of addressing that. Individual fishermen could identify a gap in the science, a question that needed to be answered, data that needed to be gathered, and funds were made available. That was about £1 million a year over 15



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years or something like that, but the money tailed off latterly. I think that was a mistake. The model was very good because an individual fisherman—it did not matter what size—could make a proposal. The proposal would be worked up with the assistance of scientists working as mentors, so the question being addressed was scientifically valid.

Q25 Barry Gardiner: Could you give some examples of what was being looked at? Are we talking about data on stocks, on MSY—maximum sustainable yield?

Barrie Deas: We are talking about 10 projects per year on all sorts of things. One of the projects was the difference between the research vessels, estimates of the number of fish in the sea, and commercial fishing vessels. One of the projects was to look at the gear that the scientists and the commercial industry were using. The results were quite interesting because the commercial vessels, not entirely surprisingly, were much more efficient but the trends were the same. When stocks were going down commercial fishing vessels caught less, but so does the science at a much lower level. In a way that validated the scientific approach. It did not give you much of a handle on what the actual number was in the sea but it did help with trends, which is not insignificant. That is just an example, but there are many others.

Q26 Barry Gardiner: Are you surprised the way in which projects are scored means that only 15% is given for fisheries, health and environmental sustainability, given that there is no industry unless you have that?

Barrie Deas: I think you can look at these numbers and play about with them. The fundamental issues will be the same although the application of them will vary depending on your fishery. I keep harping back to the fisheries management plans but there is an opportunity to get the science and the data right. That is why it is disappointing that this amount of money is not being channelled into this once-in-a-lifetime opportunity. We are outside the Common Fisheries Policy, we can design and apply measures and fisheries management plans that are tailored to our fisheries, but you need to have the right data. If you don't have the right data, you are barking up the wrong tree.

Q27 Barry Gardiner: The NFFO have said that data gathering is an area of major interest to the community and, as a Committee, we would certainly back that up: that if you do not have the proper data in the first place you cannot know what your MSY is. You cannot set it as your limit or anything.

Can I turn to Hamish and the industry? Last Wednesday you will know that there was a rather damning article on farmed salmon, and it talked about wild salmon being in crisis—a complete falling off the cliff of the numbers of wild salmon. Of course, this continues a long spate of articles that have been in the journals, science and so on in the past, saying that the persistent organic pollutants that are contained in farmed salmon, the pollution from farmed salmon in the lochs, in the rivers and in the waterways is a real problem. Also, that the PCBs are five times higher in farmed salmon; I think the Norwegians found that. How do you see the



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science and innovation scheme being able to help your industry deal with the pollution and the toxins that come from farmed salmon?

Hamish Macdonell: First, I will deal with the point about the fund. To give an example, one of our biggest member companies, Scottish Sea Farms, has teamed up with the Isle of Skye Mussel Company, and they are hosting rope-grown native mussels at a fallowed site. This is being part funded by the Seafood Fund. The aim of that is to see how growing mussels in the environment near to a salmon farm improves water quality and oxygen levels. The second part of that will be going to a farm that is stocked and then looking at mussel nutrients and oils for salmon feeds. That is one example I have used where the UK Seafood Fund has worked and there has been a good example there.

Q28 **Barry Gardiner:** Sorry, I do not want to reroute you. I want you to come back to this, but I want to ask a question on that because you have taken us slightly off at a tangent. Are the same levels of PCBs and toxins then found in the mussels or are they able to process them so that they eliminate them?

Hamish Macdonell: I don't know yet because that project has just started. I have not seen any results from it. I am very hopeful.

Chair: Try to keep to the Seafood Fund. I know the whole issue of—

Hamish Macdonell: On the wider issue, I could go on for quite a long time talking to you about everything from wild salmon through to potential pollutants or anything else.

Barry Gardiner: Just on the Seafood Fund and how you propose to use the science and innovation scheme to improve the pollutant levels in the industry.

Hamish Macdonell: That one project has worked very well. I don't know if any others have applied. I am sure that if that one is a success other ones will apply as well. I don't think you should forget, though, that there is a huge amount of innovation and work that is going on outside the UK Seafood Fund on a whole range of issues, from reducing medicine use by using cleaner fish and all sorts of things, which we do not need the UK Seafood Fund to do because we are financing as a sector, and financing very heavily.

Q29 **Barry Gardiner:** Elspeth, have you been involved in conversations about how outcomes of the research can be practically applied, including through the fishery industry science partnerships?

Elspeth Macdonald: The projects are at too early a stage for that but, as Barrie said, some of the projects that have been funded through the fishery industry scientific partnerships are encouraging and promising. There is one that we are involved with directly. It is looking at the use of artificial lights on fishing nets to see if it can increase cell activity and, therefore, improve sustainability in particular fisheries around some of our trawl prawn fisheries in Scotland and our targeted squid fisheries.



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If that project is promising and the results are good, then absolutely we could see how the outcome of that project could be scaled up and applied to the actual fishery. The reason we are involved with that is that we have fisheries observers who are taking part in the trials and will be at sea observing what is happening. That is a good example of how academia is joining up with industry bodies and also some innovative engineering, people who are coming up with these developments, to look at how this might work.

There are also projects taking place—I think involving Orkney and other parts of the UK—where they are looking at using some quite clever technology to see what happens in krill fisheries. If those projects are successful, you could see how they could be scaled up and they could improve cell activity; improve what we are doing in fisheries.

There is a wider point that we need to bear in mind around science in general. It is about the importance not just of relatively short scale, but none the less welcome, funding of projects such as these, but also ensuring that we have the right long-term investment in our fishery science because, in my experience, the fishermen I represent are interested in science. They get frustrated when they feel the science does not reflect what they see in their workplace day in day out. However, they are keen to be engaged and to improve science. We are concerned in Scotland about long-term investment in our fishery science that is important for that long-term management of our stocks.

Q30 **Barry Gardiner:** Following on from this, finally, at the University of Southampton Professor Kemp has suggested that much of the funding should be directed at innovative technical solutions to help realise carbon savings, to upgrade the industry by upgrading engines and technologies that address gaps in our current understanding. Would you support that as being a major focus of the fund or what do you see are the main opportunities that that technological innovation can deliver to the sector?

Barrie Deas: There was quite an interesting meeting of the all-party parliamentary group on fisheries. It focused on innovation, the fuel crisis and decarbonisation. The conclusions seem to be that for small-scale fleets electrification might be an issue, but the battery size is the limiting factor. Pumping money into research for fisheries may be worthwhile, but it is more likely that it will be research in other sectors that is then transferred into fishing and applied to fishing. It is the application and finding ways to make it work in fishing vessels that will be the real route in. We are very alert to the issue and open to the options that are available.

In the meantime, going back to Sheryll's point, there may be opportunities to make funding available for more efficient conventional engines until we get to the point.

Chair: Can we try to have punchy questions and punchy answers?

Mrs Sheryll Murray: I have to declare an interest as chairman of the all-party parliamentary group on fisheries.



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Chair: Noted. We would not have noticed. Similarly, if you agree with what your colleagues have said do not be frightened to say “what he said” or “what she said”.

Q31 Derek Thomas: Barrie, if I can start with you. You will probably know that I represent Newlyn, fairly sizeable fishing. The skills and training scheme sounds absolutely what we need. However, it is much more difficult to deliver than first thought simply because of if you are in Newlyn you travel a long way to get any training. Also, if you are training, you are not earning. Can I ask whether you have had any engagement with the training providers to ensure that the training funded by the scheme meets the needs of your members?

Barrie Deas: The NFFO runs a services company that can, in some years, be quite profitable. When we are profitable we channel a significant part of those profits into a NFFO training trust. The decisions about what the money is spent on are decentralised; it will be the regional groups that decide. They are closer to the fisheries. Over the years—I don’t have the figure at the moment—we have channelled something like £1 million now that into training, but the actual decisions will be made at the local level.

In Newlyn the funding goes for certification and for the apprenticeship schemes, but it will vary from port to port. It is a very important part of our work. We have a full-time safety and training officer. A major focus of their work will be improving standards and improving access to training. In some ways, it is a drop in the bucket but it shows the level of commitment that we have to training.

Q32 Derek Thomas: With this fund it is right because, as far as I understand it, we have a long way to go particularly if we want to grow the fleet, as Sheryll has said.

Barrie Deas: There is a labour shortage in the industry and, as the NHS was dependent, large part of the fleets are dependent on overseas labour. There are a number of different planks here. One of them is improving access to skills and training, encouraging young people to come into the industry and providing a long-term future, so it is important for us.

Q33 Derek Thomas: Picking up on that, Elspeth, and that progression. If people feel there is a career they might well sign up to fishing. The Government have said that the skills and training scheme aims to attract people to the industry and then improve employment opportunities. What time have you given to thinking about what success would look like? How should the Government measure whether that fund is delivering both the recruitment and retention that helps your industry?

Elspeth Macdonald: One of the things that we focus on in training—and something that is obviously incredibly important in this type of industry—is safety; improving safety in the industry. We have been fortunate in the industry in Scotland to have been able to access funds for safety training, to improve safety on vessels and for individual fishermen.



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We had a bad year last year in terms of accidents and fatalities in the industry. It is intrinsically a dangerous industry. Certainly, we are doing everything that we can within our organisations to improve safety. Funding of training and seeing improved outcomes would be welcome by everybody.

There are obviously more aspects to training than just around safety. There are all sorts of other things in terms of qualifications and such things that Barrie alluded to. For example, it will be interesting to see progress for these new entrants who have come into the industry in Scotland through some of the funding that has been made available by the Scottish Government: how they fare and what their needs are. That scheme has allowed them to invest in boats, but it would be good if the skills and training allowed through this route help these fishermen to become more highly qualified, more skilled, and help them to progress through their career journey.

Seeing the journey of these new entrants will be important but, certainly, one of the things we will be very keen to see is that there is continued effective investment in safety and training, so that our industry can continue and we can be on an upward curve in terms of the safety record.

Q34 Derek Thomas: I have one more, which I am happy for anyone to respond to. Barrie, you hinted at the challenge around the labour shortage and attracting people into the industry. Is it skills and training that will help sort that? How important is that compared with pay and working conditions? I do not mind who responds to that. Is training the answer to building the numbers?

Elspeth Macdonald: It might be part of the answer. I don't think it is the only answer. Certainly, what we see in Scotland is a lot of competition for the workforce. When we look at the situation that we have in the North sea, for example, there are still well-paid jobs in the oil and gas industry where people have a very predictable work schedule and a predictable income. We now see an expansion of the offshore renewables industry, which again we are concerned will suck people away from fishing. It is that greater certainty that these job routes offer rather than fishing, where your income is uncertain, your working environment and your working pattern might be uncertain. Training is certainly part of it but I do not think it is the only thing.

Derek Thomas: We lost fishermen to cable laying off Cornwall. Hamish, I don't know if you want to add anything to any of that. I have not involved you so far.

Hamish Macdonell: Just one point. As I understand it, there are restrictions on the skills budget when it comes to delivery and the money is generally for content. There is only so much that can be spent on content. If there was a way of introducing a bit more flexibility, so that there is more for delivery as well as for content, I think that it would



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allow more people to either be upskilled and retrained, which would help all of our sectors.

Chair: I guess the challenge, particularly with recruitment, is outside the 12 miles there are a lot of Filipinos and Ghanaians that come and fish on our vessels, but within the 12 miles the rule is still very strict.

Q35 **Geraint Davies:** Can I ask about the Seafood Promotion Scheme, which I understand is £1 million? Do you think that is enough money to make a significant difference and is it constructed in a way that maximises the opportunity to increase fish exports to non-EU countries? I will start with Barrie.

Barrie Deas: The kind of species that my members catch, I am not sure that that would be a good use for money. We are exporting quite well and prices are reasonable at the moment. Even schemes to increase domestic consumption don't seem to produce the goods. The schemes that have been run in the past, the money spent, the words have gone out, television or whatever, it does not seem to make a lot of difference.

This is a personal view but I cannot help but think that at a domestic level fresh fish counters in the supermarkets in this country—with one or two honourable exceptions—do not match those in Spain and France. If you go to Spain and France you are served by people who know what they are doing, revere the product that they are dealing with, and handle it in a professional way. These are obviously skilled people who care for the product. I do not see that in a lot of supermarkets, and that is a general experience.

Obviously, if we are catching and landing fish, it is going to go through the supply chain. You need to have consumers that want to buy that fish. We are in a position at the moment, expert-wise. In the EU and in the UK there are businesses right through that supply chain that are dependent on that fish flowing. We are in a different situation now outside the single market and outside the customs union. Costs are higher. There is more bureaucracy involved and more documentation. That is inevitable being outside the single market and customs union, but my impression is that very significant adjustments are being made and, at the moment, prices are good.

Q36 **Geraint Davies:** In terms of boosting overall exports, is that a credible ambition and will an extra £1 million make any difference to that? What is the balance between the gain in non-EU and the loss in EU exports that you foresee?

Barrie Deas: We are in the fortunate position of having enormous resources within our exclusive economic zone. The world, and Europe in particular, wants access to those. Their businesses depend on it. Their consumers want the fish. I am not hugely persuaded about spending a large amount—it might work, but I can think of better things to spend the money on.

Q37 **Geraint Davies:** Elspeth, do you share the view that perhaps the money



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should be invested in increasing the retail offer and education in Britain, so people are encouraged to buy more fish that way through retailers rather than through the promotional mechanisms that are planned?

Elspeth Macdonald: There is much more that could be done to increase and encourage domestic consumption. I agree with Barrie. I was on holiday in Portugal a couple of weeks ago, and just wandering into a random supermarket saw a magnificent array of fish such that I was taking photographs of it and sending it to my work colleagues and thinking, "Why don't we have this here?"

There are other challenges that we face around exporting. It is not so much promotion that is a problem. I know certainly during the pandemic, and it possibly continues to be the case—Hamish will know more about this than me—the availability and cost of air freight, for example, to more distant markets was very high and very challenging. That was a barrier. Also, the sanitary and phytosanitary requirements in some countries are challenging for some of the things that we may wish to export and where there is a demand.

This year we saw the trade shows happening again after two years, so we had the big seafood shows in Boston and Barcelona. The feedback I received from these shows from my members, who have been involved with them, was that demand was good, buyers were there, there was good business done. Certainly, at a Scottish level, through Seafood Scotland, there is already quite a good route of promotion. There are probably other areas that we could look at that it might be helpful to improve, whether that is increased domestic consumption or addressing some of the barriers that are preventing greater levels of exporting to markets where there is a demand for product.

Q38 Geraint Davies: In terms of exporting to the EU versus non-EU, are you saying in essence that some of the barriers to markets further afield are facing are the costs through energy costs and transport costs, certainly the border controls, and we might be better trying to ease restrictions on selling more again to the EU; is that true?

Elspeth Macdonald: Certainly, the EU is an important market for a lot of what we generate. For what Scotland produces at the moment there is essentially regulatory alignment. While there are new administrative and bureaucratic requirements now to export to the EU, essentially the rules are broadly equivalent.

Where we see more challenges with areas obviously is where the UK's production rules are different from those in some of the other countries that we might export to. For example, we have seen particular problems. We have an important market in China for crabmeat and the Chinese authorities have put in place some quite stringent requirements around those, which became ever more stringent during the Covid pandemic.

It is not just a simple issue of investing more in promotion. There are some other levers that Government could help to pull to ease some of those problems.



Q39 Geraint Davies: Hamish, on the same issue, we just heard about the problems in the aftermath of the pandemic and Brexit in terms of causing complications and obstacles to export. How should the Government support further exports, both to non-EU and to EU countries? Are these promotional techniques not the way forward, but rather addressing the more administrative and other obstructions?

Hamish Macdonell: The money that comes from the UK Seafood Fund is one of a number of budgets that can be spent on export promotion. We have a good relationship with the DIT and so on. It is worth looking at this in context. Salmon is the UK's biggest food export. We were sending about 50% of our exports to the EU and 50% to the rest of the world before the Covid pandemic hit. As soon as the pandemic hit, we lost access to the distant markets because there were no flights and salmon goes in the hulls of passenger aircraft. We do not air freight it. It gets squeezed in with the luggage. If there are no passenger aircraft there are no fish flying to those distant markets.

Our distant markets took a hit; China and the US particularly. As a result of that we ended up selling a lot more fish to the EU, so 75% to 80% of our exports were going to the EU during the pandemic. It is now down about 60% to 65% to the EU and the rest of the world. It would be great to get that market back with the rest of the world. It would be great to get that Chinese and American market back to where it was because the margins that we get there are very good. They are very appreciative of Scottish salmon and they like it.

I am supportive of any moves that will help that. The only note of caution that I would put in, is that it has to be done in close co-ordination with our suppliers. The worst thing to do is to launch a promotional campaign in China for UK and Scottish salmon and raise demand, which we cannot supply because we still have issues of logistics or we have issues of getting the fish there.

Promotional activity is fine, but it has to be done carefully and has to be done with the suppliers to make sure that we can satisfy any demand that is generated.

Q40 Geraint Davies: On the point about our retailers—I know you are focused on salmon—generally retailers providing a more attractive offer for British consumers to have a variety of fish; what is the constraint there? Is it because they want to squeeze more margins out of fish providers and they get more from baked beans, or whatever it is, so they do not give a proper display or is it just ignorance?

Hamish Macdonell: You might be better talking to retailers on that. Looking from our position, if you look at the salmon that is consumed within the UK, half comes from the UK and half usually comes from Norway and from other suppliers as well. That is purely on the basis of cost because the Norwegians tend to produce more salmon than we do at a cheaper cost. Ours is more of the niche end of the market. However, that is a decision for the retailers to take up. We get better margins



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abroad where I think the differential between Scottish salmon and other salmons from around the world is recognised.

Chair: I think our witnesses have identified the perennial challenge in trying to sell anything to the British public that is not cod or haddock or wrapped in batter or breadcrumbs. People in this country do not want to eat a fish when they can look it in the eye, I suspect. Maybe one day we will crack that.

Dr Neil Hudson: I have this quickfire round; I have a number of bullet points in this final question.

Chair: That is the final question for this panel.

Q41 **Dr Neil Hudson:** Elspeth, you touched on some of the complexities of the export system in terms of sanitary and phytosanitary checks—SPS. Do you think things could be smoothed if the UK and the EU could sign a veterinary SPS agreement? Would that help the sector in terms of smoothing exports and imports potentially?

Elspeth Macdonald: Our systems are essentially aligned. If they began to diverge then there would be perhaps more of an issue. At the moment I do not think it has been. There were some real challenges with exporting to the EU immediately after the UK left the EU. The challenges were not so much the SPS end of things. It was more around how the paperwork had been completed, around the customs coding and things like that. There were problems with the paperwork and we stepped in very quickly and did a lot of work with the industry to try to see how we could streamline that as best as we could. How do we make it work better? There has been a lot around that.

Chair: It would be the order of the ink in some cases.

Elspeth Macdonald: Yes, absolutely.

Q42 **Dr Neil Hudson:** I will get back on to the Seafood Fund. Is the £100 million size of the Seafood Fund sufficient to address the needs of the fishing, aquaculture and processing sectors? If I can come to you first, Hamish, on that.

Hamish Macdonell: No, because our problems are not financial. As I said at the start, we have a whole range of issues. We very much welcome the fund, it is a helpful step, and where the fund is accessed it will be good but, no, the issues we have are more structural than that, and things we are working through.

Barrie Deas: Just to add to Elspeth's point about SPS. Bivalve molluscs were a sector that was very badly hit. A closer understanding with the EU on that would be very welcome, so an addendum there.

Is £100 million enough? I don't think the fishing industry as a sector aspires to become dependent on subsidies. The whole ethos is about self-reliance and it just does not want to go there. Having said that, there are these spasms. Covid was one. I think the fuel price crisis might be another where we need some contingency planning and some thinking



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about how we deal with these kind of shocks. There will be another one along in a minute. Some thinking about that would be very welcome as part of the planning.

- Q43 **Dr Neil Hudson:** In terms of the size of the fund, Elspeth, coming to the second part of the question: how does the Seafood Fund compare to the level of funding our EU competitors are getting? In terms of the amount of money is it a level-playing field? Do we have a competitive advantage or disadvantage?

Elspeth Macdonald: If I am right, the funding that the EU made available in relation to the changes that Brexit would cause to their fishing fleet, the Brexit adjustment reserve I think was around €600 million. Obviously there are a number of member states that that has to be spread around but not all will be impacted by the changes in fisheries.

Coming back to whether £100 million is enough, as I said in my opening remarks, there are a lot of challenges that the industry faces that, while the fund is very welcome, and if we can make it easier for people to be able to access it and use it in the way for which it was intended, that would be great.

There are many challenges that the industry faces that are not so much about throwing money at them but we need to get some political engagement and some political will around them. I think some of the pressures that we face in terms of the changing use of our seas, how we need to invest in science for the long term, not just for the short term, and looking at what the labour needs of the sector are going forward are things that we would be certainly keen to have further discussions with.

- Q44 **Dr Neil Hudson:** Thank you. Finally, how will we know if the Seafood Fund has been a success and are there specific targets or metrics that the Government should be looking at to evaluate that? All of three of you: how will we know and what should they be looking for?

Hamish Macdonell: If we are looking at the skills and training, we all have labour issues and we have a variety of labour issues, not just in processing but across the board. If we were to find those issues were eased and the fund had helped to upskill, to train and to get people into those jobs that would be a really good metric for at least partial success in this.

Elspeth Macdonald: Some of the science partnership projects are interesting and exciting. They are short term; we have longer-term needs that we need to think about in relation to science. However, if some of those projects delivered outcomes that we could look to scale up into commercial application that would be tremendous.

Barrie Deas: Whether the £100 million has been judged a success, I think we will listen to our grassroots members. That will be the criteria that we will use, whether the money has got down to that level.

Dr Neil Hudson: Thank you very much.



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- Q45 **Geraint Davies:** Chair, if I may? You have all mentioned the issue of spatial squeeze and the issue around wind farms and the like. Obviously this is a problem but is there any advice you think the Committee should be giving to the Government in relation to that? There is a balance of imperatives here in terms of energy security, environmental sustainability and the fish industry but is there any advice you have?

Barrie Deas: An enormous displacement problem is going to arise and in the first instance there is a need for joined-up Government thinking. We need fisheries and we need food security. Fish is part of that picture and there does not seem to be a joined-up picture within Government.

The Scottish Fishermen's Federation and I are working on—and will publish later this month—a report on the spatial squeeze that quantifies the picture. I hope that will trigger a lot of thinking within Government and Parliament around what we do about the displacement figure. We know that there is going to be an expansion of offshore wind and we know the reasons why. Marine protected areas are a good way to provide protection and protect biodiversity, but there has to be a balance and we have to at least begin thinking about the displacement issue because nobody seems to be doing it at the moment.

Chair: Sheryll, the very last point for this panel.

- Q46 **Mrs Sheryll Murray:** Very briefly, are you saying we should perhaps have a national marine planning system that takes account of all users?

Barrie Deas: We do have marine spatial planning and we had a meeting very recently with the head of that. One of the things he said was there are tools that are available within the marine spatial planning system currently that are not being used. Equally, when Government policy is for acceleration of offshore wind—particularly floating wind—for highly protected marine areas that close off areas for fishing and a rushed timetable for the application of measures in marine protected areas, we have a problem.

Elsbeth Macdonald: I will just very quickly add the devolved element to this. Obviously marine spatial planning is largely a devolved matter for the Scottish Government but the legislation that underpins a lot of it is a reserved piece of legislation. It would be good to see some collaboration between Governments on how we go forward with managing this issue of displacement. There are some real challenges and some thorny issues ahead of us. I think that is something that we will be very keen to engage with parliamentarians on as this develops.

Mrs Sheryll Murray: Thank you. Sorry, Chair, I thought it was useful information.

Chair: Maybe we should do that in a future report.

Mrs Sheryll Murray: That is what I was thinking.

Chair: I thank our three panellists. I am sure you will become old friends to this Committee—if you aren't already—and I appreciate you giving us such frank and helpful evidence.

Examination of Witnesses

Witnesses: Mark Simmonds, Jimmy Buchan and Simon Potten.

Q47 **Chair:** I am afraid our first panel did overrun a little bit so if we can try to make up a little bit on time with punchy questions and punchy answers. I welcome our panel. Jimmy Buchan needs no introduction to me; I was on his vessel. I don't think you have the Amity II anymore but we had a great time in Peterhead. I went to the fish market and I learnt more about fishing that day than I have learnt for many, many months. Thank you. Starting with Mark on my left, if you could introduce yourselves briefly.

Mark Simmonds: Good afternoon, thank you for the opportunity to be here and answer questions. I am the director of policy and external affairs at the British Ports Association. We are a trade association for ports. We represent almost every fishing port in the whole of the UK.

Simon Potten: I am head of safety, training and services at the Seafish Industry Authority, or Seafish as we like to be known these days. Seafish, as you may know, is a non-departmental public body, funded mainly by levy collected from the seafood industry. We operate at arm's length to DEFRA and our aim is to support the industry to help it thrive.

Jimmy Buchan: Good afternoon. I represent the Scottish Seafood Association. We are a member-funded trade association. We have nearly 80 members, primarily in north-east Scotland, and we are known as the voice of the Scottish processing sector across Scotland. Thank you.

Q48 **Chair:** Thank you very much indeed. I will open the questioning by asking: what are the challenges facing ports, processors and coastal communities and will the Seafood Fund help them overcome them? Mr Simmonds.

Mark Simmonds: There are many challenges facing the port sector as a whole. For fishing ports generally—I can be very concise—economic sustainability is the issue. It is difficult for ports to make money and be sustainable just from fishing alone. Most of them have to diversify into other areas. That is not ideal. Funding is very welcome. A fund that looks exactly like this is something we called for several years ago, so we are very pleased and a little bit surprised when it was announced. It will help if it is delivered correctly and we have some ideas about how that can be improved.

Simon Potten: The industry is facing some huge challenges post-Brexit and this fund is a shot in the arm to give it the leg up that it needs to help to adapt to a lot of the changes that it is experiencing. The workforce—obviously my particular area of interest—is spread throughout the coastal communities, very diverse, so access to training is a big issue. For me personally, it is great to see a significant amount of money being made available to invest in the training delivery infrastructure that can



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make that training more accessible to people working in the seafood industry.

- Q49 **Chair:** You will be pleased to know that, as part of the Whitby town deal bid, there is going to be a maritime skills academy in Whitby training people not only in fishing but in any other maritime skills. We are looking forward to that—a quick advert there.

Jimmy Buchan: I think this fund is welcome for the processing sector. It is a sector where, if we look primarily at Scotland where there has been huge investment in ports, there has been massive investment in the fishing fleet. However, I would say that the one sector that has fallen behind is the processing sector. We need to use these funds to inject money back into the economy, to the circular economy, to upskill people and to modernise. The one thing we have to do is be able to compete on a level playing field in a global market.

We face a lot of issues with the cost of labour, accessing raw material, so I think the money would be used, if we could access it—and we will probably come to that later on in the questioning—to make the processing sector more competitive in a global market. That is where it is going to be won and lost. Efficiency is going to be key to everything.

- Q50 **Chair:** Are there robotic developments? I know filleting fish or shelling langoustine is quite labour intensive. Is that happening at all?

Jimmy Buchan: There are certain elements of the processing sector where the human touch will still be required, but we can use a lot of the innovation and the modernisation to help and assist that process. Robotics will play a part. The problem is that we need to have a transition from where we are now to the invention of what the future will be, but I am sure that—like our forefathers before us—innovation will be the driver here and that is why we need these funds.

- Q51 **Julian Sturdy:** Given what you have just said about the importance of this fund going forward, have the Government engaged with you and listened to the sector in designing the Seafood Fund going forward?

Jimmy Buchan: Absolutely. There is no question that DEFRA definitely engaged with us on this process. I think what we delivered and what we gave in evidence or engagement does not seem to have been replicated in the deliverance of what the fund is offering. Therefore, it is the bureaucratic tiers of different hoops that the industry needs to go through to be able to draw down these funds that make it very challenging and—if I dare say—in some cases off putting.

- Q52 **Julian Sturdy:** They have listened but not acted upon what you have said, would you argue?

Jimmy Buchan: I would say definitely listened but perhaps did not filter it down enough to make it more accessible and easier. I think it was mentioned in the previous session, for big business they have the wherewithal and the people within the businesses to overcome all these hurdles. If we are looking at the smaller and medium-sized businesses



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the challenges are much greater and, therefore, the aspiration and enthusiasm to go forward with new ideas and new plans get parked—

Chair: Could I interrupt briefly? There is a Division in the Commons. Certainly the Conservatives are abstaining, but are Labour voting?

Barry Gardiner: I would be very surprised if we were not, Chair.

Chair: We need to suspend to allow you the opportunity to vote, for 15 minutes or until you get back, whichever is the shorter time.

Julian Sturdy: I have to apologise because I have to go as well. When you get the opportunity, please feel free to feedback into the question.

Sitting suspended for a Division in the House.

On resuming—

Chair: Apologies for that slight delay to our witnesses who were just getting into their stride. Geraint Davies had a supplementary on the question that Mr Sturdy raised.

Q53 **Geraint Davies:** You were talking about the challenges facing our ports, processors and coastal communities with the Seafood Fund. I am simply going to ask about the distribution of impacts and benefits prospectively from the Seafood Fund. For example, I represent a Welsh constituency and I know we talk about different industries, but how do you see this playing out and will there be a differential impact of these changes and, indeed, investments?

Mark Simmonds: It depends. It is a competitive fund so, rather unusually, it is being administered by the UK Government for the whole of the UK rather than being devolved and managed by individual authorities. We have seen underspend in Wales recently, when it comes to fisheries funds, so I am fairly relaxed about who manages it.

Q54 **Geraint Davies:** The other panel basically said that applying for these funds is easier for big organisations than for small coastal areas and small business, so am I right in saying that places that have more big industry, as opposed to smaller coastal communities, will get more and the small will lose out?

Mark Simmonds: No, I am not sure I agree with that, because even the biggest fishing ports would be considered fairly small businesses and fairly small ports in the overall scheme of things. If you look at places like Peterhead and Brixham, they don't have huge resources so even the bigger fishing ports don't have a huge resource to apply to these things. Obviously, the smaller you are the harder it gets but I don't think your huge ports are going to be applying for it anyway, typically, as well. I was going to come to this a bit later but, given that some of your big ports might have small fish landings there, if they are privately owned they can only get 50% of match funding anyway. I am not sure that they are going to bother to begin with, so I think that we are going to be going more for medium size.

Q55 **Geraint Davies:** Simon, what is your view? Is there any particular



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differential impact according to where this fund is going to go?

Simon Potten: Particularly given my involvement with the skills and training scheme, it is going to be one of the key criteria of that scheme that any new courses that are developed with public money or any new materials that are developed to update delivery of existing courses will be made publicly available at the end of the project. The applicant will obviously get the benefit of spearheading the development of those courses, but a course developed by an applicant who might be located in the south-west of England that could be of benefit to fishermen in Wales, for example, the scheme criteria will make sure that that benefit is made available to fishers throughout the UK rather than just benefiting a particular geographical area.

Q56 **Geraint Davies:** Jimmy, one of your points I think was having the right people in the right places, including having enough workforce in Britain to process the fish. How is this going to pan out across Britain?

Jimmy Buchan: This is where the challenges lie, particularly in Scotland. We have Skills Development Scotland that has no funds and the only thing it can do is ask us for content. We need the money for deliverance of the content and that is where this fund in my opinion is letting us down. That is something that can be looked at in the future.

Again, I have to speak out for my members right across Scotland, and we are in rural Scotland, where the demographic numbers are much lower than the rest of the United Kingdom. We will need the innovation. We will need to become less dependent on people to be able to keep the industries in the coastal communities where the fish will be landed. It is critical that the fund reaches the right people, the right businesses and the right locations.

Q57 **Geraint Davies:** On that point, because you have made it a couple of times now, do you think that there is a case for time limited and worker limited, more flexibility and freedom of movement of workers in particular sectors?

Chair: Geraint, I think we are getting off the point of the Fisheries Fund. This is an important issue but—

Jimmy Buchan: There is a simple answer to that. Industry is open to access to workers from anywhere in the world. It does not have to be a specific area of the world. We just need the ability to have the right people with the right attitude to be able to come and work in the seafood industry, which is one of our biggest issues at the moment.

Q58 **Mrs Sheryll Murray:** I will try to be quick this time because I am going to ask you the same question that I asked before. Obviously, you all have different sectors you are representing here. What should the priorities be for the infrastructure scheme? How should the needs of the different sectors be balanced? I will start with you, Jimmy, and then go along because you all have different sectors. It will be good for us to hear your views.



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Jimmy Buchan: Absolutely. When I speak, I speak on behalf of my Scottish members and others will have different opinions, but we have to put our case forward that the processing sector needs that cash injection. We need it to remain competitive in a global market, and I cannot emphasise enough that we are a global entity. Seafood, especially from Scotland, is much sought after all over the world, and that includes the United Kingdom. We have to have the wherewithal so that we can produce the food, give us the food security but be able to supply all markets. I speak for the processing sector but I am sure that others will have other views.

Q59 **Mrs Sheryll Murray:** Simon, training?

Simon Potten: Training and skills, yes. There are a number of challenges coming up for workers. The Maritime and Coastguard Agency is drafting some new regulations on training and certification, which we expect to come in next year. I think this fund offers a great opportunity to providers of that type of training to get themselves equipped ready for delivery of the new courses and qualifications that will be required.

It is a great opportunity for providers to invest in new technology to enable them to deliver better quality training, but also importantly I think for levelling up, investing in equipment that allows them to deliver more remote training, for example. We have had some good experiences during the Covid pandemic of switching delivery from face to face to remote and online, and there is definitely more scope for that. Obviously, some of the courses require attendance because of practical elements.

I am keen to see what ideas and proposals come forward from industry for new courses. Seafish has been involved in training and skills for a long time. We like to think that most of the gaps are filled with courses already, but as we have heard, the industry is moving in a lot of exciting different directions that will require new skills.

Q60 **Mrs Sheryll Murray:** I am wondering about upskilling as well. As you progress to be a skipper aboard a vessel the size of Jimmy's vessel, for instance, or the one he owned, obviously you need more qualifications. Does Seafish already provide all of those qualifications or would that be something that you would be looking at?

Simon Potten: Those courses are usually a requirement of the Maritime and Coastguard Agency, so the syllabus and course content is set by it. A lot of the providers who are delivering those courses—and there aren't that many, which is an issue that was alluded to earlier, the availability of some of these courses. We are currently able to fund or subsidise the cost to fishermen wanting to undertake those courses through moneys that we lever through the national fishery schemes.

Chair: This is Seafood Fund money that is the point of today's—

Simon Potten: One of the key points, Chair, with the Seafood Fund is how it differentiates what it is trying to support through skills and training from what is currently available through the national schemes. We access



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funding to support delivery through the national schemes. The Seafood Fund is very much focused on development, course content and equipment to deliver the training in the first place.

Q61 **Mrs Sheryll Murray:** Thank you. Finally, the ports?

Mark Simmonds: To answer also one of the earlier questions about whether we were engaged, we were engaged so we were quite happy with what is in the objectives and aims.

In terms of what we want and what needs to be in it, we have said for quite a long time that ideally a fund would also support wider projects within the fishing port to help that overall sustainability. Very few fishing ports can survive on income from fish landing and seafood landings alone, so we have said that if you want to make fishing ports more sustainable for the long term and start to get away from subsidising them for ever, then perhaps this fund should start to look at how other things within a fishing port that also benefit the fishing community by making that port more economically sustainable should be carefully considered. We were pleased that that is in there and we would like to see that into round 2.

For ports I have spoken to that have not applied to the fund so far and have no plans to, I think it would be very helpful for DEFRA to say sooner rather than later what is going to be in round 2. There is only a week as it is to apply for round 1, so I think that it would be good to see what is in there before round 1 closes.

Q62 **Chair:** Can I jump in there? Obviously, the requirement is for round 1 projects to be completed by March 2024. Given that you might need to get planning consents, dredging consents and other types of procurement, is that a realistic timescale to deliver some of these bigger projects?

Mark Simmonds: No, not at all. Most ports tell us they need a three-year window in terms of delivering large-scale projects of £5 million or more. We would like to see it extended by at least a year in terms of delivery, and I think that would change the picture in terms of the number of applications going in quite dramatically.

Q63 **Chair:** Is this one of those schemes where if you start the project you end up where you cannot get any money, you have to wait until it is approved before you start?

Mark Simmonds: This is some other feedback we have had in that ports have looked at this fund and instead applied to the levelling-up fund or, as we heard in the first panel, applied to the national funds instead as they were worried about whether they would get it and whether they would be eligible or not. From what I have heard—and I do not know much about the levelling-up fund—it is a lot easier. It pays out in instalments. You do not have to fund it all up front and then claim your money back. That is something that we would like to see changed as well and improved in future rounds, or even this round if possible.



Q64 Mrs Sheryll Murray: Can I just ask Simon and Jimmy—and if they have anything to add to the Chair's question please add it—whether there are any other changes that they would like to see made to the application process for the second round?

Jimmy Buchan: For me, the applicant, depending on whether you are representing a PO or you are a small SME or you are a large business, there are different entry criteria of the level of funding available, from 30% up to 75%. Again, that could discourage because if we are trying to create a future for the seafood industry, the big businesses are sometimes the core of supporting other businesses around them. By restricting the funding for them, it may pull them back from doing a bigger project from which the local circular economy can benefit via the spin-off. This is something that we said had to be a bit fairer right across the board and it is something that maybe should be discussed in the future.

Simon Potten: In terms of skills and training, most of the organisations involved in that aspect have become familiar with applying for funding through national schemes using the online portal that has been created. I am not saying that that is perfect, but they have to know how to apply through that process. Getting to grips with BRAVO will be a challenge. I have some fears about how many of our training providers will be willing to take on that challenge in order to access this funding. I probably also have some concerns about how much match funding is out there to lever this money in the first place. Again, using the training infrastructure as an example, it has come off the back of two years of very little business because of the Covid pandemic, with training delivery suspended for a lot of them. I have concerns about how much match funding is out there that organisations will be willing to invest in leveraging moneys out of the UK Seafood Fund.

Mark Simmonds: May I add to my own comments very briefly? One final thing we would like to see that we have discussed with DEFRA before is pre-application support. I think that it has considered it and decided against, but we have found that even just getting an application together can be extremely difficult. Getting the planning, getting marine licensing at the moment is even slower than normal. Getting all of that work done and all the tendering, all of that stuff, needs some support, even if it is not financial support. Even if that is just more experts at DEFRA who know how to deliver infrastructure and can advise those SMEs and even bigger organisations in some cases, that would be very welcome.

Chair: The next question is from Ian Byrne, who has been waiting very patiently, I have to say.

Q65 Ian Byrne: That is a very good point you just made, Mark. I am glad that that is on the record. These questions are directed to you but, Simon and Jimmy, feel free to jump in if you want to add anything.

To start, Waterdance said the required financial size of projects would



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benefit larger processing companies. While it would support small-scale port improvements, it said that it would not be big enough to fund a planned expansion of, say, Brixham harbour. Will the size of the Seafood Fund allow ports to undertake larger-scale projects? If not, what options are there for financing such projects?

Mark Simmonds: We had always said that the original £1 million cap for infrastructure projects was way too low, so we were pleased that they raised it to £5 million. I would like to see it higher. I understand why they haven't. They do not want to give too much money; they want to spread it around a little bit. No, for those big projects £5 million is not going to do it, even if that is just half of the overall project cost. If you are looking to redo a fishing quay or something like that, it will probably be more than £5 million; you are looking at £6 million or more.

Q66 **Ian Byrne:** In an ideal world, what would the BPA want as a cap?

Mark Simmonds: I am not sure there needs to be a cap. I guess you have to have it somewhere, but you could double that. That would be a good start. Some of the projects we have been talking to our members about are £10 million to £20 million, so if you are looking at match funding a £10 million cap would be reasonable.

Q67 **Ian Byrne:** Your members have approached you regarding projects. How many would be a non-starter under the current £5 million cap?

Mark Simmonds: The other aspect of that is the smaller projects that come in under £250,000, but there are the national schemes that I think would probably be more appropriate for those sorts of things. There is probably less of an issue there, I think.

In terms of how many projects, I don't know. There are a lot. There are plenty of projects that need funding. One of the things that a lot of ports are doing at the moment, if they have not done it already, is master planning. They will set out their long-term plan for infrastructure and what they need. We would like to see that considered in this process as well. I could not put a number on projects. We can come back to you.

Ian Byrne: That would be good, yes.

Mark Simmonds: We had planned a survey that we could possibly move forward and give you some data.

Q68 **Ian Byrne:** What options are there for financing these projects if they are not going to get them from the fund?

Mark Simmonds: It depends. Usually, for most ports outside of the fishing side of things, most projects will be commercially financed in the usual way from banks or shareholders and so on. It depends on the ownership of the port. If you have a private port with access to that sort of finance, it might go that route. The problem is that they are not going to get a return on their investment for most fishing projects so that is probably a non-starter. Local authority-owned ports might be able to access funds through the council or borrowing in the normal way. Most



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ports are viable, good investments but, as I said, the overall problem is that if you are trying to invest commercially in a fishing project you are probably not going to see your money back. That is why this fund is needed.

Ian Byrne: It is so important, yes. Simon or Jimmy, do you want to add any observations to that?

Simon Potten: No, I think that the response covered everything, and I would not seek to impinge on that. This scheme, from my understanding of it, is clearly investing in infrastructure for the supply chain and, quite rightly, that starts at a port, whether it is an in port or a landing from a domestic vessel. It is vital that we have that port infrastructure in place.

Q69 **Ian Byrne:** Yes, that is a good point. The second part of the question is what types of port improvements the infrastructure scheme should focus on to maximise the benefits to the fishing sector and coastal communities. I will go to Mark and I am sure that the others will have thoughts on that as well.

Mark Simmonds: I think it is a fairly well-trodden path when it comes to infrastructure funding from fisheries funds, the EMFF and the current successor schemes, so everything is usually funded there, anything from quays to dredging to ice plants and things on the shore side. We would also like to see funding for decarbonisation and some of the environmental challenges, putting in place shore power for fishing vessels to be able to plug in when they are alongside and reduce their usage of diesel.

Q70 **Ian Byrne:** Does that come under the infrastructure scheme—the remit?

Mark Simmonds: I think it does. Looking at the fairly vague terms, yes. That is something that we explicitly asked for. It talks about carbon offsets. I am not sure that it is offsetting exactly; it is just mitigating it. I think that it does. One of the other things that I think could be squeezed in on the biodiversity and waste side of things is funding for dealing with end of life gear, ghost gear and even abandoned vessels in some cases, which are an increasing problem for many harbours.

Ian Byrne: Another good point. Jimmy, Simon, do you have anything to add?

Jimmy Buchan: I think it has been well covered. The points that he has raised are points that I would agree with. Investment in ports is critical because that is where it all starts. That is where the fish come ashore, so we have to have the right tools for the industry, the seafood processing sector. In and around ports, space is critical. Everyone is scrambling for the same space. Again, anything that can help the industry to invest with the fund is fantastic.

Chair: I think that ice is a big issue because some bigger vessels have their own ice-making facilities, which means smaller vessels are losing their ice plants in some of those smaller ports, which can jeopardise their



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whole future.

Q71 Barry Gardiner: Mr Potten, last year was the year that saw the greatest fatalities in the fishing industry for 10 years—a decade. What focus are skills and training providers like you putting on health and safety issues?

Simon Potten: Health and safety and mandatory compliance is probably the bulk of the training that is taken up, both onshore and offshore. All of that is health, safety, hygiene. In the fishing industry particularly, there is a huge focus on that, which is partly why the Maritime and Coastguard Agency is currently drafting these new regulations, which will implement the standards of training, certification and watchkeeping convention and introduce new requirements for training of skippers of small vessels as well. That is to be welcomed. I think this fund is perfectly timed to help providers prepare for that change, and it will be the first change in fishermen's training since 1989.

Q72 Barry Gardiner: Do you see the bulk of the fund then being directed in that way?

Simon Potten: Not necessarily. I think provision for that type of training is quite well catered for at the moment. It could be improved but—

Barry Gardiner: Clearly, given the statistics from last year.

Simon Potten: Yes. To be fair, last year it followed on from a year where there had been two fatalities. Admittedly, that was the Covid pandemic year, but there was no discernible diminution in fishing effort during that year so it was not an effort-related change.

We need to explore and find out what the causes were, but we are still seeing man overboard as being the biggest killer in the fishing industry and we are still seeing fishermen not wearing flotation devices. In response to that, the Maritime and Coastguard Agency has stepped up its enforcement. You can teach someone until you are blue in the face about safe working practices and safety equipment that will help to protect them, but as soon as they go back on their fishing vessel you cannot control whether or not they are going to apply that knowledge.

I am keen with this scheme that we see applications coming in for training throughout the seafood supply chain. Jimmy has already mentioned that the processing sector is desperate for skilled labour to fill gaps that have been left by non-UK labour deciding to return home. We have to make sure that that labour is provided with the skills and knowledge that it needs to help that sector prosper as well.

Q73 Barry Gardiner: The CFPO has said that the main challenge to upskilling the catching sector workforce is the need to take time away from earning at sea and to stay onshore and learn. Given that the days at sea are often limited because of catch quota, does that ring true to you? How many days at sea or how many days onshore would the normal skipper be consigned to, if I can put it that way?



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Simon Potten: Yes, it is a tough call on this one because, as Jimmy will testify having experienced it himself, it is a gruelling job. It is an exhausting job at times and probably your first priority on landing is obviously not only to get the best possible price for what you are landing but then to spend some time with your family. Given the lifestyle of a fisherman, it is difficult to expect fishermen as soon as they get back ashore to want to commit to studying straight away. There are other priorities that we recognise take place.

By improving access to training, e-learning and remote delivery of training we can help to minimise some of the additional costs like having to travel long distances to attend one of the few training providers that can deliver a particular course. That is where this scheme can make a difference in encouraging providers to think outside the box of their traditional delivery, think about exciting and innovative ways that they can improve access, and thereby minimise cost to those who we want to study and develop their careers.

Q74 **Barry Gardiner:** Do you believe that with a bit of creativity that can be overcome?

Mark Simmonds: I think so, yes. We are already seeing signs of it. The Scottish Maritime Academy, part of North East Scotland College, is already investing in equipment to help it deliver skipper courses remotely, negating the need for fishermen to go and attend 12 weeks of training in person. That can only be good news for the industry.

Q75 **Barry Gardiner:** Mr Buchan, can I turn to you? What engagement have you had with training providers to ensure that they are offering the opportunities that you believe your sector needs?

Jimmy Buchan: We work very closely with Seafish and the wider Seafish team on training for processing. We work with Seafood Scotland and through the Skills Development Scotland programme. We are very focused. We want to raise standards in the seafood processing sector. We want to upskill the people who are there, we want to encourage youth to seek a career there—all of these things—if we can access funding to allow these programmes to be run. The devil is in the detail.

The fund is there, but we need to be able to access it and make it much more accessible so that these things that we as the industry are highlighting can be delivered. Therefore, the value of the investment is not only for the Government that has gifted it but to the people in the key places where we need that money spent. We welcome this and we would like to work with the wider bodies to make sure that these messages are conveyed.

Q76 **Barry Gardiner:** You spoke earlier of a potential shortage of labour in the processing sector. How severe is that?

Jimmy Buchan: It is critical. Some of the businesses that I have been speaking with of late are now three or four months behind with orders



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simply because they do not have enough people to fulfil the demand that is coming out following Covid and the—

Barry Gardiner: Marketing drive, yes.

Jimmy Buchan: Yes. We have had marketing campaigns to try to encourage people into the industry, but again, more so in north-east Scotland, we are competing with a very buoyant oil and gas energy sector, which is attracting skilled people to seek a career probably in a more secure and drier environment. We have always been an industry that has seen a need to be more open to where we can pull the labour workforce.

Q77 **Barry Gardiner:** For somebody who is thinking about coming into your sector, unskilled but ready to be skilled up hopefully under this programme, what would they be earning an hour?

Jimmy Buchan: An hour?

Barry Gardiner: Yes.

Jimmy Buchan: It is a very good question because we did a survey earlier on this year of our own members. All barring one were all paying well over £10 an hour, sometimes some of the key ones higher than that, up as far as £12. Again, coming into this industry, if you are a scallop shucker the money that you can earn, because it is high skilled and labour intensive, can be quite considerable for a person who wants to go down that route. They could be earning £40,000, £50,000 or even more per annum.

Q78 **Barry Gardiner:** Compare that then with the oil and gas industry. What would somebody going into that be earning?

Jimmy Buchan: I would not be skilled enough to give you a comparison there. You are not giving a fair comparison because the oil and gas energy industry is completely different. We are speaking about primary food production. It is very challenging to attract the right people. However, I think that a message to come away from here with is that in any primary job you have to start at the beginning to be able to work through the chain. I think that a lot of the businesses now can see that you come in as a junior, you start at the beginning, you are on the production line, but very quickly if you have the skill, the ability and the enthusiasm you could be into management and possibly running the business. That is up to the individual, but we need access to the people.

Q79 **Barry Gardiner:** What are the gaps in training, not the actual gaps in personnel but the gaps in training in the processing sector that you think the scheme should focus on most?

Jimmy Buchan: I would like to see some funding towards encouraging people in better business management. If they could understand the acumen behind the structure of the business, it might help some of the younger people to realise that they can go places if they were to invest in their own future. We need to invest in people so that they have the



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correct skills in food hygiene, we need engineers, product development. The range is endless. It is not just a case of knives and boots and fish. The career opportunity in the seafood sector is quite wide and diverse. We have to attract the right talent and not everyone wants to go into oil and gas. We have to make sure that we create the paths for people to come and seek work in rural Scotland. One of our biggest challenges is location.

Q80 Barry Gardiner: You talk about creating paths but of course this fund has to be spent by 31 March 2024. That is a pretty short path, isn't it?

Jimmy Buchan: You are absolutely right and we couldn't agree more, the timeline is too tight. We are also struggling in Scotland where we feel that Marine Scotland is an easier and simpler funding mechanism to help SMEs and, therefore, I think that they would favour going on that route. You cannot apply for both funds and take the better of the two. You can apply for either Marine Scotland or the UK £10 million fund. Again, it is simplification: why can you not apply for the two? You cannot get both but if you were lucky enough to be successful in your application you would have to choose one or the other.

Q81 Barry Gardiner: Very briefly, tell me about the requirement for match funding—is that a problem?

Jimmy Buchan: Again, I can only speak on behalf of the industry but I think that a lot of companies out there have the ability for their own funds to match fund and may have investors that are willing to invest. I think that the match funding is not too critical but when some of the bigger companies are getting only 30% funding they may need—

Q82 Barry Gardiner: To sum up for our recommendations, you would like to see the deadline extended and you would like to see more flexibility between the two schemes.

Jimmy Buchan: Absolutely. I think that is a great summary and I agree with what you are saying.

Q83 Dr Neil Hudson: Thank you to our witnesses for being before us this afternoon. We have talked about some of the challenges with the scheme. In giving us some take-home messages for our report and recommendations that we can make to help things move forward, what do you think should be prioritised within the infrastructure scheme and the skills and training scheme to support coastal communities? Can you give us some key take-home messages that we could shine a light on? Jimmy, do you want to start with that?

Jimmy Buchan: Again, I think it is not just about the fund. We have to make sure that the fund delivers and can deliver much quicker than it is. The bureaucracy behind all of this is far too intense, especially for smaller businesses. We need to simplify, make it more accessible and speed up the operation.

Q84 Dr Neil Hudson: Thank you. That is helpful. Simon, what should people prioritise?



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Simon Potten: Access to training is the big issue, particularly for remote geographical coastal communities. It is a tragedy in this day and age that fishers in Northern Ireland, for example, have to come to the mainland to access some of the courses they need to get the qualifications.

Q85 **Dr Neil Hudson:** It is that key point you made earlier about virtual learning and trying to shine a light on that?

Simon Potten: Yes.

Dr Neil Hudson: That is helpful.

Simon Potten: For me that is a priority with the skills and training scheme. I am conscious that constructing a new training centre probably is not something that we envisaged as being part of a £10 million skills and training scheme fund, but I am hopeful that there may be provision within the infrastructure pillar to fund some of those developments because there is definitely a need for additional training centres to service the coastal communities.

Dr Neil Hudson: That would be one fund helping the other portfolio as well.

Simon Potten: Yes.

Dr Neil Hudson: That is really helpful.

Chair: The Whitby one is funded through the towns deal scheme, so that is already funded and already going to be built.

Q86 **Dr Neil Hudson:** Getting some joined-up thinking among different schemes would be helpful, wouldn't it? Yes, thank you. Finally, Mark?

Mark Simmonds: I agree 100% on joining up all the different funds and not just the fishing funds. What do we think should be prioritised? Our understanding is that DEFRA will go for the most impactful. We think slightly differently that it is the most transformational. It is not necessarily putting them all in a big list and saying, "These five are the best ones," but saying, "Which of these will transform that fishing port and safeguard the future of fishing in that area for the long term?"

Q87 **Dr Neil Hudson:** How do you measure that transformation?

Mark Simmonds: You measure the economic impact. I suppose long term you would look at how it has impacted landings in that area, and we have some thoughts about landings as well. You would look at what other trades, other cargos and other business are being attracted to the port. There are metrics that you can use to measure that.

Q88 **Dr Neil Hudson:** That would help boost those coastal communities.

Mark Simmonds: It would. The trouble is that it is difficult to discern how much is because of the fund and how much is other things, but there are ways you can measure the economic impact.



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Dr Neil Hudson: Thank you. That is really helpful.

Q89 **Chair:** It is likely that many of these bids will be oversubscribed and obviously there is £100 million ring-fenced for this. To what degree will that oversubscription be? How much money might be needed if we were to meet everybody's aspirations, or is that just a pipe dream? Should we accept that there will always be competition and not everybody will be successful?

Jimmy Buchan: I think that the £100 million may be tight. It all depends on the ability of businesses to come up with a business model that can satisfy the needs of the criteria in the grant. I think that there will be good ideas there; some of them may be risky but is the fund too risk averse to allow businesses to take that innovative challenge? One of the biggest challenges I see coming is that we know there is a big brood of haddock coming into the northern seas in the next few years.

We are not ready to be able to process that fish because we don't have the innovation in place. I cannot reiterate enough here that we need the people in the factories now to start scaling up while we are working on the innovation so that that opportunity is not lost. We need a transition period from where we are now to where we need to be. That requires people, investment and innovation.

Q90 **Chair:** Will there be a lot of disappointed applicants?

Simon Potten: Yes, I hope so. I hope the scheme will be oversubscribed. As I said earlier, I have my concerns about the complexity of the application process and the availability of match funding. However, I think that, certainly for pillar 1 science and innovation, there is no doubt a huge job of work to be done, as we come out of the Common Fisheries Policy, in gathering and developing the data that we need to manage our stocks effectively. There will definitely be a need for more ongoing funding for that. I think that the timeline is the tightest issue for infrastructure but there will be a need for more money there.

On the skills and training scheme, I hope that we can make sure that the £10 million is used to maximum effect for the long-term benefit of the provision of training in all parts of the seafood industry. My big fear with it from day one is that it will be swallowed up by organisations that are proficient in securing funding and that five years down the line whatever the scheme supported them to develop is turned to an alternative use. Making sure that the benefit of this scheme is tied into the seafood industry and does not get diverted to benefiting other industries is vital. That is why it is paramount that applicants have industry partners, industry support to their applications and also evidence of a specific industry need for what they are proposing to develop.

Q91 **Chair:** There is a lot of jobs in the global shipping industry for engineers and skippers, and some of those skills are easily transferable.



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Simon Potten: Yes. We don't want to train people out of the fishing industry. We want to give them the skills and qualifications so that they can develop a viable career in the fishing industry.

Chair: Particularly, if they are not paying their taxes in the UK in some cases.

Mark Simmonds: I definitely agree that it is better to be oversubscribed than undersubscribed. I think you get better value for your money in those projects, but hopefully that signal is then picked up by DEFRA and the Treasury and they put the appropriate additional funding in place afterwards. Our assumption is that it will be oversubscribed, but I spoke to about six or seven ports this morning to understand their experiences of the scheme and none of them had applied. Two of them had gone for the levelling-up fund, two of them had gone for Marine Fund Scotland, one was not quite ready and the other didn't have anything at the moment. It made me think that I don't know where the applications are coming from. Maybe I spoke to the wrong ones but—

Q92 **Chair:** Are some of those trust ports or were they local authority ports or privately owned?

Mark Simmonds: They were a mixture. There were probably two privately owned, two local authority and two trusts—by accident a complete mixture.

Q93 **Chair:** If we get you back in three years' time and these schemes have been delivered or are in the process of being delivered, what does success look like? What will you point at and say, "Yes, that is what our objective was; that is what we delivered; it has been a success"?

Jimmy Buchan: That business is thriving rather than surviving and it is as simple as that. We need to have the capital investment and that is in both people and infrastructure. It includes innovation and efficiencies. We must drive down the cost of production and get production up.

Simon Potten: Yes, pretty much the same, that science, infrastructure and skills are no barrier to business success. We cannot account for other issues that may come along, like a Covid pandemic for example, that will impact the industry and this scheme cannot account for issues like that, but for the three pillars—or four pillars if you include the export support as well, of course—this £100 million has to make sure that in three, five, 10 years' time none of these issues are holding back the industry from capitalising on the UK coming out of the European Union.

Chair: An ocean of opportunity I think we were talking about when we were in Peterhead.

Mark Simmonds: You won't be surprised that I agree again. It is an industry that does not need funding, that in the future we have undersubscribed funds because they are so successful; UK ports compete with each other but also European ports. We would like to see more



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landings coming into the UK directly. Our biggest priority is probably improving our infrastructure so that we are competitive.

Chair: Great. Thank you very much indeed. I thank the panel. I think that your evidence has been very helpful and very informed. Certainly, I understand more of the situation now personally, so thank you very much indeed.