



Select Committee on the European Union

Environment Sub-Committee

Corrected oral evidence: Access to UK fisheries post Brexit

Wednesday 13 January 2021

11 am

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Members present: Lord Teverson (The Chair); Baroness Brown of Cambridge; Baroness Bryan of Partick; Lord Cameron of Dillington; Lord Carter of Coles; Lord Cormack; Baroness Jolly; Baroness McIntosh of Pickering; The Duke of Montrose; The Earl of Stair; Lord Young of Norwood Green.

Evidence Session No. 6

Virtual Proceeding

Questions 43 - 52

Witnesses

I: Victoria Prentis, Under-Secretary of State, Department for Environment, Food and Rural Affairs; Neil Hornby, Director of Marine and Fisheries, Department for Environment, Food and Rural Affairs; Phil Haslam, Director of Operations, Marine Management Organisation.

Examination of witnesses

Victoria Prentis, Neil Hornby and Phil Haslam.

Q43 The Chair: Welcome to the second session of the EU Environment Sub-Committee where we are looking at access to fisheries post Brexit. It will also contribute to our report on the future of UK-EU relations in the areas of environment, energy and health. I am very pleased to welcome today Minister Victoria Prentis, Neil Hornby, director of marine and fisheries at Defra, and Phil Haslam from the MMO. I will ask them to introduce themselves briefly in a second. First, I will go through some announcements.

I remind everybody that this is a public session and it is being webcast live. We are taking a transcript, which we will send to our witnesses; if there is anything that you feel has not been correctly recorded, please let us know. When Members who did not speak in the earlier session intervene, perhaps you would mention any interests that you have.

Let us move straight into the session. Minister, welcome to the Sub-Committee. You have not been in front of us before, and we are very pleased to have you here. Perhaps you would introduce yourself and then we will go on to Neil and Phil.

Victoria Prentis: I am delighted to be here. I am the Minister at Defra dealing with agriculture, fisheries and food, all of which are keeping me quite busy at the moment.

Neil Hornby: Good morning. I am the director of marine and fisheries at Defra. I lead the policy team in the department.

Phil Haslam: I am from the Marine Management Organisation. I am the operational director for the arm's-length body of Defra that manages fisheries and other marine activity within English waters.

Q44 The Chair: Thank you. Let us start off in a more general sense. This Committee, and its predecessor, identified fisheries particularly as one of the areas that could very positively benefit from Brexit, in its report soon after the referendum in 2016. But it would be true to say that my jaw dropped when I saw details of the agreement.

We have heard from Secretary of State George Eustice in the past in this Committee that separating the market issues from the catching issues was particularly important, but that has not happened; that we were going to have control over our territorial waters up to 12 miles, which has not happened either; that we were going to move from relative stability to zonal attachment, which seems to have disappeared; and that we would have frictionless trade, which clearly we have not. In this industry, we have catch certificates and veterinary inspections as well as everything else that other goods have. We have been excluded from quota swaps, which are vital for enforcing no discarding. There is no change on European ownership of British quota. There is a positive 25% shift in quota, but that is over five years, and not necessarily the species, certainly where I live in the south-west, that we sell in the UK. Perhaps

most concerning of all is that we have to start the process all over again in five and a half years, and we still have the threat over market access if we do not manage to get agreement. Minister, did your jaw drop as well when you saw the agreement that had been delivered in fisheries, when it was such an iconic subject?

Victoria Prentis: No. The agreement came when we were all very busy on Christmas Eve, in my case organising the local nativity trail. We had been waiting and waiting. It looked like it was coming for probably four days before it actually arrived. I for one had gone through, as I am sure Members of this Committee had, a gamut of emotions over those four days, as many of us have, truthfully, for the last four and a half years.

I am a passionate believer in having a deal. I think the deal is a good one for the UK. In fisheries terms, it is true to say that we had, as an industry, dreamed some pretty big dreams, not least in the last four and a half years, but for much longer in some cases. It is also true to say that we did not get everything we asked for. As a battle-hardened lawyer, I was always quite aware that that might happen. A negotiation is just that: you win some, you lose some.

Taking the fisheries package overall, we have not done as badly as you suggest. I am pleased that we have a tariff-free deal for trade to the UK. I accept what you say about there being other difficulties with trading, particularly at the moment while we all get used to the new system and filling in new bits of paperwork with which we are not yet familiar, but a tariff-free deal is very important to our fishermen. It really is. The tariffs that were being suggested were high, 10% to 11% overall, and 24% on our biggest export, smoked salmon. That would have been a very difficult sell if we had come out without a deal.

Taking the agreement overall, yes, we have a 25% uplift. That is undoubtedly a gain. It means that we will have, after five and a half years, 25% more than we have at the moment, so that is great. We can go into that in more detail.

I would like to pick up the quota swaps point that you made. It is important to remember that we will still be involved in annual negotiations. In fact, we are involved in them right now, and Neil can fill us in on the details of how they are going. There will be opportunities, both now, in the annual negotiations, and during the course of the year, to do quota swaps as we go forward. There are differences. They will have to be done Government to Government rather than PO to PO, but they will still very much be part of the overall package.

The overall package leaves us as an independent coastal state. It leaves us in a good place, with more quota than we had before. We will endeavour to do better for the bits of the industry that feel particularly hard done by in our annual negotiations. We did not get everything, but we certainly got something, and, overall, this is part of a very good package.

The Chair: I take your points, and all of us would agree that a deal is much better, and no deal would have been a disaster for the industry. Zero tariffs are the status quo and we would all have expected that. Let us move on. We will come to quota swaps and things like that later.

Q45 **Lord Cormack:** I have a great affection for the fishing industry. I was born in Grimsby when it was the greatest fishing port in the world. In 1965, I did a deep sea trawler voyage and I saw what a tough job it was. Clearly, I regard the negotiations with a degree of concern. I am glad that a deal has been struck, but I would like you to tell us what method or metric was used to decide how the stock allocations will change during the period of adjustment. If you could give us some details on that, it would be extremely helpful.

Victoria Prentis: I am so sorry, Lord Cormack, I think I heard you correctly. This is about the transfer of quota that makes up the 25%? The agreement was a quota transfer for 15% this year of the total value of stocks taken by EU vessels in our waters, followed by cumulative transfers equivalent to 17.5%, 20%, 23% and 25% in the subsequent years.

Lord Cormack: Could you please tell us a bit about the method that was used to come to those conclusions? The figures are there, but how were the figures decided upon?

Victoria Prentis: Neil, would you like to come in on the methodology?

Neil Hornby: I am happy to do so, Minister. The annex in the Agreement sets out stock by stock what the changes are over the five years. Clearly, there is a range of different stocks, from different parts of the UK, different kinds of waters and different parts of the sector. There was a discussion through the negotiations about which stocks would be uplifted, where clearly we had a case around using zonal attachment methodologies that demonstrated that more of that fish was in our waters. There were issues around the economic impacts that would have on EU fleets, and, through the negotiation, we reached agreement on which stocks would receive uplift, what level the uplifts would be for each individual stock and how that would be implemented over the five years. That is all set out stock by stock in the annex to the Agreement.

Lord Cormack: Could Mr Haslam tell us if he is happy?

Phil Haslam: As regards the MMO's remit, which is to disperse the quota allocations that are issued to us, I am happy that we have the methodology to do that. We can disperse it to—[*Inaudible.*]

The Chair: We have lost Phil for a minute. Perhaps I could follow up, Minister, or Neil Hornby, with this question. The British pitch was very much around zonal attachment. Did we get any acceptance of that from the other side? It seems to me that we are stuck with relative stability for at least another five and a half years.

Victoria Prentis: No. I will let Neil fill you in properly, but that is not the case at all. We are absolutely committed to zonal attachment, are we not, Neil?

Neil Hornby: That is right, and it is not right to say we are stuck with relative stability. This is a significant uplift in our share of quota. We will be moving, as we have said previously, from catching around half the fish in our waters to two-thirds. The EU recognised that we were entitled to a greater share of quota through these negotiations, and that is why it has agreed to transfer to us 25% of the current quota it catches in our waters.

The Chair: Perhaps I could press you on that. Does the EU now recognise that zonal attachment is a valid way of discussing all this sharing of a common resource in the future, or is it a stand-off between the two sides that will still have to be determined?

Victoria Prentis: No, it has moved on that. It was, as I suspect you know, a significant difficulty in the earlier part of the negotiation because we were talking at cross-purposes, with different methodologies being used. It is fair to say that the EU moved significantly on that.

The other thing I should probably have explained at the beginning—there is so much to say about this agreement—is that of course it is an agreement in two parts. The adjustment period is how we are viewing the first five and a half years. After that, we will be able to bring access back into play, as it were, when we are discussing quota in the future.

Q46 **Baroness McIntosh of Pickering:** First, Minister, I thank you and your team for moving so swiftly to get the agreement in place by 1 January. It absolutely is impressive. I will ask one question in three parts, if I may, but they are very short.

Considering that fish is perishable and can go off, the timing of the exports is essential. The key part of the deal, as I see it, is having access to French, Belgian, Dutch and other markets, where we sell most of our fish, particularly the Scottish fish. First, what liaison have you had with HMRC to ensure that fish exports get through ports such as Dover and other southern ports quickly? Secondly, are you able to use more east coast ports such as Immingham, Grimsby, Hull and others? I was slightly concerned to read that HMRC has closed the office in Hull, and I hope that is not being replicated anywhere else. Obviously, if HMRC closes offices, it will not help.

Thirdly, the flipside of that is the access to ports for our fish once they land in France, Belgium and Holland. There have been quite graphic reports of some of the fish being impounded and going off, particularly in France, which makes a mockery of the agreement. Those are the three issues.

Victoria Prentis: They are all very valid questions. At the moment, we are dealing with a situation where everyone is trained but no one is experienced in this new level of form filling, much of which is digital.

Things are tricky at the moment. We are monitoring them closely. The team is working very hard.

Let me tell you some of the things that we are doing to try to make sure that there are no hold-ups. We have a daily call with HMRC to deal with very granular issues on codes, for example, and what is appropriate, and difficulties with customs forms. We are having a lot of engagement with those in the fishing industry and those trying to export at the moment. We have set up a stakeholder group with Scottish fishermen and those from the south-west, and all over the place, to meet several times a week to feed in specific problems they are having. Neil will be able to tell us in a minute about a specific call he had with exporters last night. I discussed that with him this morning, and the steps we need to take as a result. I am in daily contact with a large number of people in the industry, helping, I hope, to smooth out difficulties where we find them.

We are dealing with Member States directly now. We had a meeting with the Irish two days ago on EHCs specifically. They were able to give us a list of about 10 very detailed niggly things—what colour ink to use, where to put the stamp—which will be helpful going forward. We had a meeting a bit like that yesterday with the French. We have agreed to carry on meeting the French so that we can get down into the nitty-gritty of what we need to do. We are meeting the Dutch today to do the same thing. Clearly, we will have to liaise in a very frequent and granular way while we get the teething difficulties sorted out.

In access terms, there were a few difficulties with movement from Calais to Boulogne. I am told those were ironed out over the last few days and it is now moving well. Neil will be able to fill us in with more detail. I have always said there would be a bumpy period while we all get used to the new rules, but I assure you that we are doing everything we can, both industry-focused and with Member States of the European Union, to sort out any difficulties as they arise. Neil, do you want to give details of your call last night?

Neil Hornby: Clearly, it is a difficult time for the sector. There are lots of new requirements coming in since 1 January that make managing exports quite difficult, be they catch certificates, export health certificates or customs requirements, all of which are new for the sector, and for the EU to have to deal with on its side. There are a lot of issues we are working through with the industry to try to identify either things we can do on our side to make things easier, or things we need to pick up, as the Minister says, with the authorities in France or Holland, or elsewhere in the EU. I stress that it is a focused effort to try to identify those issues and work through them as quickly as we can to ease this difficult situation as people have to adapt to new requirements.

Baroness McIntosh of Pickering: May I leave with you the point about HMRC offices potentially being closed? It would be helpful to have that answered.

Victoria Prentis: I do not know about that, I am afraid. I am very happy to take it up with HMRC, with which we are having very frequent contact at the moment. Of course, I should have said that much of this is digital now. It may be that HMRC has made decisions on that basis, but I am guessing about that. The Fish Export Service, which of course is a new system we have had to set up, is entirely digital. We are working hard to make sure that that works well.

The Chair: As you will all well be aware, this is an area where jobs and whole sectors are really at risk. I live in Cornwall, and I was quite shocked to see a headline today that says, "Cornwall's shell fishing industry now looks back with fond nostalgia to the days when membership of the European Union made life so much easier". They are not necessarily remainers, but they are genuinely concerned about it not just being a temporary issue. Particularly in the area of scallops, where there is trans-shipment of vehicles within the UK before they are exported, it is almost impossible to fill out the documentation, whether it is electronic or paper, because information is not available when dispatch takes place. These things are not just temporary glitches, which we all understand, but might be permanent issues for the future. Do you have a quick comment on that?

Victoria Prentis: We are trying very hard. We have already ironed out a number of temporary glitches, as you put it. There will be systemic issues that arise, and we will just have to deal with them as we find them. We are working hard on this at the moment. We export, as you know, 70% of what we catch in this country to the EU. We also export elsewhere, of course. We are ambitious about carrying on that level of exporting. We think our seafood is very good and can hold its place in the world, but I am sure that we will in the future want to eat more of what we catch here. These are real issues, and I accept that, but we are doing our best to sort them out.

Q47 **The Earl of Stair:** Minister, good morning. I agree with you that it is wonderful that we do not have tariffs in the fishery industry; however, we have catch certificates that need to be handled. In fish exports and fish handling generally, by the pure fact of what it is, the value is held in its being fresh fish. There needs to be the minimum amount of administration and the minimum amount of extra cost built into the industry. That is now being increased by the use of catch certificates.

I know that the department has been in contact with the fishing industry. Have Defra and the MMO resolved the catch certificate challenges that were being raised by the fishing industry in its letter to the Secretary of State? Do you have any plans to support the industry with the costs and administration of catch certificates?

Victoria Prentis: We wrote back to the fishing industry representatives to address their concerns around the data that was required to get a validated catch certificate. More recently, there have been a few problems with the new Fish Export Service. The forms did not contain all the customs codes that were needed for catch certificates. We have been

able to iron that out in the last few days as well. The Fish Export Service is digital, 24 hours a day, seven days a week, and free. There are no costs to our producers who are exporting. It is of course not free for importers. Neil, is there anything you want to add?

Neil Hornby: The industry raised concerns with us back in the autumn. We were able to address and resolve those. We have issued a lot of catch certificates since 1 January; over 100 a day and over 800 in total had been issued as of yesterday lunchtime when we had the latest data. That system seems to be working. Certificates are issued and, as the Minister said, as we find odd things we are correcting them in the system as people start using it and we test it properly. At the moment, the system seems to be working relatively well to generate the catch certificates that people need.

The Earl of Stair: I have picked up some information that the certificates were costing £180 per consignment and, therefore, if a dealer was putting out multiple consignments in one load, he would have to pay £180 per certificate. Is that now not correct? Are you saying that it is now free of charge?

Neil Hornby: The catch certificate system has always been free of charge. It may be the export health certificate system that that information relates to; it may be the cost to the exporter for the local authority inspection that comes with it. Local authorities can charge, as can vets, for inspecting consignments under the export health certificate system, which is another document that is required in some situations to export fish. It requires either physical inspection or at least approval by an environmental health officer or a vet for the consignment. There is a cost to businesses for some of that, yes.

The Earl of Stair: On the basis of the fact that fresh fish by dint of its description needs to be moved with high priority, is that being streamlined further? If there are delays in the export of fish, and it ceases to be fresh fish and therefore loses value, how are you overcoming that?

Victoria Prentis: That is what has driven all our work in this area. It is funny to think back a month. We were all very concerned about the effects of no deal at that point, and we were able to organise an exemption for fish and day-old chicks, and very little else, which would have got a special route through the contraflow system in Kent. We have not needed to activate any of that, but all the work that we and Neil's team are doing at the moment, together with HMRC and our friends and colleagues in France, the Netherlands and Ireland, is about trying to speed up those processes and learning how to use the new system, to make sure that fish arrives as quickly as it can.

Lord Young of Norwood Green: Minister, I missed the beginning of your contribution, so my apologies for that. I would like to echo Baroness McIntosh's point about the speed with which the transitional licences were issued, starting from 11 pm or 11.30 pm on New Year's Eve. Are

you taking any steps to reinstate international quota swaps, or to mitigate the challenges that UK fishers will face without them?

Victoria Prentis: Yes, absolutely. I touched on this earlier. We are doing the annual negotiation, literally as we speak. We have teams out there negotiating at the moment, probably on Zoom these days, which has made for a very different way of negotiation altogether. In a funny sort of way, it seems to take longer, but that is a diversion.

We are doing the annual negotiations at the moment. We will be looking for more quota in stocks that we need. We will be able to continue to negotiate during the course of the year, as we always have done, to continue with quota swapping. The difference is that it will be Government to Government. Obviously, those in the industry can tell us what they want and what they need, and we would expect them to, but it will not be PO to PO. Neil, is there more you want to add?

Neil Hornby: That is broadly right. The quota-swap system that existed while we were in the EU allowed swaps between Member States. We will replicate that system between the UK and the EU Commission, so, effectively, we will be doing quota exchanges or quota swaps, as the Minister says, at government-to-government level between the two coastal states, between the two Parties to the Agreement. We will be doing that as part of the annual negotiation that is happening at the moment. There are other opportunities in the year to do that.

It is a change in how we use that system, but we are still looking to use it to bring in the quota we need, or to exchange it for quota where we may have a surplus, to rebalance some of our fishing opportunities. It is a change to the current system, and a different way of doing it now that we are outside the EU.

Lord Young of Norwood Green: Do you feel that you have the timescale right to be able to do it so that there will be no hiatus in arranging it?

Victoria Prentis: Ideally, we would have done it last year—of course we would. We were trying very hard to do it last year, but in all the circumstances I think it was worth waiting for the deal. We have no other options. We have to do it now because it took until Christmas Eve to get the deal and we then had to get it ratified. The team has not stopped working on it. In fact, we prepared, did all the groundwork and had many of the preliminary conversations on annual negotiations before Christmas, in the usual way. We were also well organised in that we were able to sign our framework agreements with Norway and the Faroes, for example, in advance, in the autumn, so we were able to set up the groundwork for the annual negotiations we do with them.

The difficulty has been that we now have an awful lot to discuss. We were waiting for the deal as our starting point, and now we have to get on with it. Zoom negotiation, and I do not mean this flippantly, makes for a different dynamic. You are not all locked in a room away from home and

having to come to a decision by a certain point when your flight leaves. It means that you can have a discussion with a party and go away and take instruction on it, as it were, in your own time. We will have to keep the accelerator on. Is that fair, Neil?

Neil Hornby: Yes, it is. We are all adjusting to doing these things in a slightly different way. All those conversations are currently happening, with Norway, with the Faroes and with the EU. We have started the process of setting the TACs for this year and doing the exchanges for this year, and they will take place over the next few weeks. On all sides, we are adjusting both to doing it differently for the first time with the UK's new status and to doing it virtually as well.

Lord Young of Norwood Green: Minister, you mentioned, or it might have been Neil, the question of you consulting with the fishers as these negotiations take place. Did I hear that correctly?

Victoria Prentis: Absolutely. That has always happened with annual negotiations. In the old days, the fishing industry used to come and sit in the hotel and talk to you round the edges. These days, obviously, it is a bit different but, yes, we have very, very frequent engagement with the industry. I am meeting some of the inshore fleet later. Neil meets members of the industry every day of his working life, and probably on the non-working days as well at the moment.

Neil Hornby: It is not just the industry. We talk to environmental groups regularly because they have a lot of interest, as does the recreational sector. There are a lot of people interested in this, and we work closely with them throughout the negotiation process.

Victoria Prentis: That goes for Ministers, too. I should have said that.

Lord Young of Norwood Green: It is very good to hear the point you made about the environmental link. I have used up a fair amount of time, so I will call it a day. Thank you.

The Chair: Minister, perhaps I could press you on the quota swap stuff. When we had the Secretary of State, George Eustice, in front of us, one or two meetings ago, we raised quota swaps, and he was adamant that this would not happen. We did not understand whether it was because the British Government were not interesting in negotiating it, but these things are very important, particularly in mixed-fisheries waters down in the south-west, on the south coast, and even in the North Sea, to stop choke issues around catching so that the discard ban can be effective. It concerns me.

The flexibility of PO to PO was quite strong; if a boat was about to land and it needed extra cod quota, because otherwise it would be over its quota, that could be sorted out pretty straightforwardly and flexibly, but if it has to go via London and Paris, I am very concerned about that flexibility. I do not understand why both Governments could not just agree to keep it as it is. We are both sovereign states and we could agree

to do that. It is only a number of national Governments, and if it has to be done through the CFP, if we got Member State agreement, I do not see why the Commission would be concerned about that. Will we really get the almost hour-by-hour flexibility that we had sometimes? I know it used to go through the MMO to a certain degree and POs as well. Did we ask to keep the status quo?

Victoria Prentis: That is a very big question. I am not sure exactly what George said to you. I know that he feels very strongly that we need greater transparency about quota swapping, which, after all, is a currency that belongs to the nation. Neil was probably with him at the time, so, Neil, would you like to comment further?

Neil Hornby: I think the point the Secretary of State was making at the time was that there were concerns about the old system—the system within the EU. There was the potential that people swapped out quota that we could have used in this country. Individual POs may have swapped things away that others in the country desperately needed.

It is more the nature of having left the CFP. It was an internal CFP mechanism, along with all the other parts of the CFP, that allowed that sort of swapping to happen. We recognise the need to bring in additional quota and to exchange quota at EU level. In practice, we hope that some of those conversations between the industry on both sides of the channel will still happen, and would still support the ability for us to do those deals Government to Government, because, ultimately, swapping is there to support the industry and to help balance those opportunities. It is just a different way of doing it.

The Chair: Neil, I am sorry to intervene but I just want to understand: will the new system be as responsive as the system was before that time? You can sort out transparency by making it transparent, I guess, but will it be as flexible?

Neil Hornby: I do not think it will be as flexible as it was before. We will have set points in the year when we do the exchanges, rather than the ongoing system we had before. It requires more planning and more work on where we allocate the quota and how the quota is used during the year.

The Chair: To be honest, it sounds like bad news to me.

Victoria Prentis: Could we bring in Phil on that point?

Phil Haslam: I agree with everything that has been said previously. On Neil's point about planning, we have an opportunity in the annual negotiations to set these things up for success, noting where we are likely to get choke species and the like and, based on that planning, if the plan does not work, we then have the opportunity, incrementally through the fishing year, to go back and test and adjust as necessary. It is a system that we will have to get used to, but the discipline in the new thing we are doing is that we bilaterally negotiate our fishing opportunities on an

annual basis going forward, and, as the Minister and Neil have said, that is going on right now. That is where we have the opportunity to set ourselves up for success.

The Chair: Thank you. Minister, I welcome your statement that the resource belongs to the nation. It is interesting that the Government rejected that notion in the Fisheries Bill, but there we are.

Victoria Prentis: There was no need for it in the Fisheries Bill, but I will be quiet.

Q48 **Lord Cameron of Dillington:** Good morning, Minister. I want to talk about the conditions for issuing licences to fish in UK waters and what conditions you might intend to impose, or what conditions you might want eventually to achieve. Obviously, there is adherence to quotas and adherence to the discard ban. This Committee is very keen on the idea of imposing remote electronic monitoring on boats. Is that in your mind, and might we achieve something like that? Generally, what conditions do you reckon to impose on the licence to fish in UK waters?

Victoria Prentis: All vessels that we allow to fish in our waters will have to be licensed and will have to comply with our rules, including any rules that we might set on management that would help with sustainability of fish stocks. The licence conditions that we make now will apply both to our vessels and to any foreign vessels fishing in our waters. This is really exciting. This is our opportunity.

As you know, we had a call for evidence on REM specifically, which closed just before Christmas. We need to share that evidence and consult properly, but we have heard what you and others in your House said about REM. Those views were very much mirrored at our end of Parliament. We need to work with the industry, consult widely and find a way to make that work, if appropriate.

We had three consultations before Christmas. Two were on apportioning quota, and the other was on the economic link. There is quite a lot of work to do in that space. In brief, this is our moment. We have the Fisheries Act, a really important new piece of legislation, which for the first time for 40 years genuinely gives us the opportunity to put in place management conditions, whatever you want to call them, that will mean that we can do what we want around our coastline and protect it where necessary, as well as protecting stocks where necessary.

This is the moment to do all that work. We will not do it tomorrow, I am afraid. As you have heard today, we had an awful lot to do over the Christmas non-break, in our case, issuing licences, which have been widely issued to start with, but we are able, with these consultations and calls for evidence, to take stock, work out our new policies and issue more targeted licences as we go along.

Lord Cameron of Dillington: You have probably seen recent publicity about this. Would any of the conditions mean that you might be changing the nature of fishing in marine conservation areas?

Victoria Prentis: They might well. That is the sort of thing we have to consider. For example, if we were to want to protect the beds in marine conservation areas, we would have to look at gear changes or other changes that we might want to put conditions on for people who are fishing in those areas.

Lord Cameron of Dillington: That would include dredging, would it?

Victoria Prentis: Neil, do you want to come in on the specifics?

Neil Hornby: This is a major change we have through the agreement from the situation we have currently, where we could not require vessels from other Member States to do anything in our waters without their agreement. That was the arrangement we had under the CFP. As Members may be aware, that meant we were unable to bring in measures in marine protected areas outside the 12-mile to 200-mile zone because EU Member States did not agree to it. That is what changes now. We will be able to bring in measures that apply to all fleets, and if those fleets come into our waters, they will have to abide by them. They will become a condition of their licence to come in.

One of the powers we took in the Fisheries Act is to be able to do that now in offshore marine protected areas. Before Christmas, the Marine Management Organisation did a call for evidence on plans for places such as Dogger Bank and some of the other key sites. We will be bringing forward a consultation on some of that soon. We have the really important opportunity to bring in those rules now to protect some of the sites that we were unable to protect while we were in the CFP.

Lord Cameron of Dillington: Thank you very much. That is very encouraging.

The Chair: Duke of Montrose, I think you wanted to come in on an earlier question. Do you want to come in now?

The Duke of Montrose: I will pass.

The Chair: That is fine. Thank you. On a very positive note, Minister, this Committee has been very keen on remote electronic monitoring, for the data side as much as the enforcement risk, and we very much welcome the Government's brisk move to look at that since the Fisheries Act received Royal Assent.

Victoria Prentis: I cannot promise we will do it all immediately. Indeed, we are consulting; I cannot promise we will do it at all, but you have heard the direction of travel, I hope, loud and clear.

Q49 **Baroness Jolly:** The Trade and Cooperation Agreement provides for a Specialised Committee on Fisheries to be established and sets out potential roles. Could the Minister outline when it will be established, who will be its UK members and what information about its discussions will be made public?

Victoria Prentis: Those are very good questions to which I do not have all the answers. Nobody has all the answers at the moment. We are discussing this at the moment with the Commission. Neil can give us an up-to-date line. I know what is set out in the Agreement. Specialised committees are not unique to fish. There will be other committees. There will be a Partnership Council that oversees the entire Agreement and specialised committees will fit underneath that. We are still working out the details. Neil, do you have an update for us on those discussions?

Neil Hornby: We have started a discussion with the Commission about how we set up the Specialised Committee. There are also a few things the agreement asks the Specialised Committee to do in the first part of this year anyway, ahead of next year's negotiations. That is where we are now. We have started conversations on answering questions about how it will operate and how often it will meet, and planning the work programme for it over the next few months. We are at the early stage of having those conversations.

Baroness Jolly: Would you like to hazard a guess about when the Committee might first meet? Are we talking about the short term, long term or is it off into the distance?

Victoria Prentis: I hope short term, but it is not entirely within our gift. The work is going on. There are very detailed conversations daily with the Commission; for example, one of Neil's colleagues was talking to it yesterday about the licences we still have to issue. It is on a very practical level. A lot of work is going on at the moment. It is quite important that we do not wait for the overall structures, but that we carry on doing the work we need to do with the Commission. I am sorry I cannot give you the answers, but we simply do not know them yet. I am very happy to agree to keep the Committee informed as we go along, because I think it is right that you ask how often, who, et cetera. It is just that we do not yet know.

The Chair: Thank you, Minister. If you could do that, we would appreciate it. Baroness Brown—Julia King as she is better known—has had to leave the evidence session. In the climate change equivalent of this, she pointed out that on the EU side the gender balance was about 50/50 and on the UK side it was about 80/20, or worse. It would be good to see that on the UK side we had a balance of representation on the Specialist Committee.

Victoria Prentis: I am not going to argue with that.

The Chair: We look forward to further news.

Victoria Prentis: In some of the industries that I am very proud to represent, we do not always have the gender balance we might like. We are working hard to address that. I do not mind discussing it at all.

The Chair: Good, that is excellent to hear.

The Duke of Montrose: Is there any indication as to where members

will be drawn from? Do you envisage a permanent staff, or will it operate within Defra?

Victoria Prentis: Those are good questions. I think they will be drawn from our fisheries team. That is right, is it not, Neil?

Neil Hornby: Yes.

Victoria Prentis: I suspect they will be working in Defra for most of their working lives. They will be Specialised Committee members as and when required, rather than a full-time delegation.

The Duke of Montrose: Where will the devolved interests come into it?

Victoria Prentis: As you know, the devolved administrations are extremely important in the fisheries space. They are important in all spaces, but they are particularly significant in the fisheries space. We have very close links with the devolved administrations, particularly at official level, but also at ministerial level. Neil, has thought been given to that yet? I know discussions are beginning to be had about who is sitting on the committee, but do you know any more?

Neil Hornby: I re-emphasise the importance of the role of the devolved administrations in all of this. Clearly, the overall relationship with the EU will be held by the UK Government as a reserved matter, but we will not be able to do this without close involvement and working with the devolved administrations. We are very keen to have them fully part of the discussions we are having and will be having with the EU.

Q50 **Baroness Bryan of Partick:** It is not clear how Parliament will be kept informed of the Government's position both before and after the annual TAC negotiations. Is there a plan to provide similar, or perhaps better, opportunities for Parliament and public scrutiny than existed previously? Specifically, what sight will Parliament have of the position that the Government will be taking at the annual TAC negotiations, and of the outcomes?

Victoria Prentis: In the autumn, I laid in our House a Written Ministerial Statement with high-level negotiating goals for the annual negotiations. I believe it was laid in your House by Lord Gardiner. I certainly anticipate a follow-up at the end of the annual negotiations and laying another Written Ministerial Statement in both Houses afterwards.

I am always happy to engage, whether on an individual basis or with you as a Committee, if there are points you want to make about the annual negotiations. As we said earlier, a large number of those in the fishing industry and in environmental groups have views, quite validly, that they need us to take into account in the annual negotiations, and we always like hearing from you as well.

Baroness Bryan of Partick: Sometimes, the information can be hard to extrapolate from the data.

Victoria Prentis: That is fair. Neil probably would not agree with us because he lives and breathes those charts, but they are not always easy to understand. Fair point. We will try to present them in a way that is not just for people who speak fish. Perhaps I could put it that way.

The Chair: That sounds very positive. We move on to the Duke of Montrose, and a particular issue that not just our Committee but our parent EU Committee has been concerned about, which is Crown dependencies.

Q51 **The Duke of Montrose:** Under the Trade Agreement, article FISH.11 covers landing fish in the EU, but what consideration have you given to the impact of the UK's withdrawal from the London Fisheries Convention on Guernsey's fishing industry, and what steps are you taking to ensure that it can still land its catches?

Victoria Prentis: Of course, all of the UK left the London Fisheries Convention nearly a year ago. In the new Agreement, with which I believe the Crown Dependencies are very pleased, we have given them the opportunity to reduce fishing by foreign vessels in their territorial sea, while still allowing some stability for the French fleet that has fished there historically.

Jersey and the French are in active discussion at the moment. Jersey has worked hard to license French vessels that have fished there historically. I believe that 58 licences have so far been issued. The French are taking up with the Commission their disappointment with that part of the Agreement. We talk frequently to the Crown Dependencies. My background is as a government lawyer, and I have long been interested in the position of the Crown Dependencies. I am always very happy to engage with them, as is the Paymaster-General, who has frequent conversations with them formally. On an official level, we talk to them all the time.

The Chair: I remember speaking to one of the Ministers in a Crown Dependency—I think it was Guernsey—who said that they felt that withdrawal from the London Convention had the unintended consequence of making certain things very difficult for them in their relations with the French. Are you categorically saying that has now been sorted out?

Victoria Prentis: We feel that they are happy with the new Agreement as regards access to goods. They feel they are in a stable place. Do you think that is fair, Neil?

Neil Hornby: I think that is fair. They were content to permit EU vessels, particularly French vessels, to fish in their waters, so they were concerned that the removal of the London Fisheries Convention might stop that happening. In the new Agreement, it has been confirmed that access to Jersey and Guernsey waters can continue as it was before. That is the process the Minister just described about putting the licences in place to make that work.

Victoria Prentis: It is not to say that there will not be further discussion, because, clearly, the French are distressed by the TCA with regard to Jersey. Certainly, from our discussions with the Crown Dependencies, “quite pleased” would be my summary.

Q52 **The Chair:** Thank you, Minister. In the time we have left, there are two other areas I would like to bring up. One is Norway. Before we come to that, I was interested that you said in your opening remarks that you hoped that, as a result of this, perhaps more fish that we catch would be eaten at home. I am a great fish eater myself, but it is sad that everything that has been done on that in the past has not been particularly successful in the UK market. It is great to have that aspiration, but does Defra have actual plans to help UK industry to market that vision and to incentivise and persuade consumers to go that way?

Victoria Prentis: Yes. I have really big ambitions in that space. We were able to do something small last year, as a sad result of the COVID pandemic, when we put in place assistance with direct selling. It went down very well and was, genuinely, a useful intervention. We can learn from that. We now have a generous fund—£100 million—to assist the fishing industry into the place where we want it to be in the future. This is a really exciting opportunity to reset a bit, both in the sustainability space—for example, to assist with buying gear that is more environmentally friendly—and to do many of the interventions that I know this Committee has talked about before, REM possibly being one example, to assist with that. I am also very passionate about eating more locally and more sustainably. I really want to focus on that with part of that fund.

We are making plans at the moment, although plans is probably too grand a word for where we have got to. We are consulting widely at the moment on the spend. It sounds like a vast amount of money for the fishing industry, but we need to make sure that we spend it carefully, and with value for money. I am ambitious that whichever Minister appears before this Committee in four or five years’ time will be able to say that we eat an awful lot more of what we catch.

The Chair: That would be a very good outcome.

Lord Young of Norwood Green: We have had Vegan January; perhaps we could have Fish February, Minister.

Victoria Prentis: A balanced diet is important in all months of the year. I am certainly having fish for lunch today, and for supper, although that is not always the case.

The Chair: If we can produce something positive from this meeting, Fish February is probably a good one.

Minister, let us come back to the Norway agreement, because that comes down to the fact that we are no longer in the EU. We signed a framework agreement towards the end of last year. I would be grateful if you could

explain where we are on making it work practically at the moment. The Committee found it difficult to understand how it could be bilateral rather than trilateral.

Victoria Prentis: The answer is that it is both.

The Chair: One of the things that is of concern is that if you look at the Norway-UK agreement, and what has happened in the past—the last two years, for instance, on the Norway agreement; it is even more the case on the Faroes agreement—in 2019, Norwegian vessels took £250 million-worth of fish out of our waters, that is a quarter of a billion pounds, and we took only £31 million-worth out of their waters. It was a similar ratio, of eight times, the year before. For the Faroes, that ratio is between 15 and 20 times. Are we going to charge Norway for taking fish out of our waters, as many international agreements do, or are we going to allow that discrepancy to continue?

Victoria Prentis: To go back to the first part of your question, it has to be both bilateral and trilateral. We signed our fisheries agreement with Norway at the end of last September. That provides the framework for annual negotiations. Those negotiations will concern exchange of quota and access. They are where we will be with the EU in five and a half years' time when we have finished our adjustment period. There will be no setting of TACs during those bilateral negotiations.

We then move on to trilateral negotiations to work out the TACs for the North Sea stocks, which need to be managed in that trilateral way. Neil will know, because one of his colleagues is engaged in negotiating with Norway today, how things are going at the moment. It is difficult. We are having to learn a new series of dates and deadlines. It is like fitting together an enormous Jenga puzzle. We have to do one set of negotiations and then move forward. Neil, I am sure you will explain it more eloquently than I can.

Neil Hornby: As you say, Minister, the conversations with Norway are happening as we speak, and with the EU as well, particularly on the trilateral stocks and setting the TACs for things such as North Sea cod. To respond to your question about the values, Lord Teverson, it is quite tricky to compare some of these things because, clearly, the fish that the Norwegians come and catch in our waters are their fish, so it is their quota that they are fishing against in our waters, and in return, they will give us some of their quota of Arctic cod and other stocks in places such as the Barents Sea in the Norwegian zone.

There is a mixture of allowing access to fish your own quota in other places, which again is part of a conversation we have had with the EU, but which we will have with Norway, and others as well, and there are transfers of quotas and opportunities between us, where we hand quota over to each other. There is a bit of a mixed picture about how it comes together, but overall, yes, we will look at these deals again from a fresh perspective, of what is in the UK's interests.

Previously, we have been part of the EU delegation and the EU has been doing that. Clearly, the Faroes is a good example where what the EU was offering was access to UK waters in exchange for quota that went to a number of EU Member States. This year, it will just be a straight negotiation between us and the Faroes about what benefits us and what benefits them. The dynamics will be different, and we will have opportunities to look at it more from what is in the UK's overall interests, which will be different from where we were before.

The Chair: Do you expect the value side to be more equal overall in the trilateral sense?

Neil Hornby: The trilateral will look at TAC setting. In the bilateral relationship between us and Norway, there will be some changes. We would expect to see some changes to that this year, as with the Faroes.

Victoria Prentis: Yes, and I think they know that.

The Chair: The discrepancies are huge. That is why, well, I do not know—

Victoria Prentis: We are having those conversations at the moment.

The Chair: That is very useful to know. Lastly on that, as you well know, the long-distance fleet out of Hull is concerned about the other agreement between Norway and the EU, up towards Svalbard. At the moment, those vessels are apparently idle in Hull. Will that be sorted out? That is a separate agreement, as I understand it.

Victoria Prentis: It is for the annual negotiations and then further quota swaps during the year, I would suggest.

Neil Hornby: Part of the agreement we will have with Norway is access to the fishery in the Arctic. That is where those vessels are particularly keen to go and fish. The negotiations are happening now. As soon as they are concluded, we hope that that access will be opened up. Svalbard is a slightly separate issue; Norway has already opened the fishery. It is the Barents Sea fishery where we are still in discussions as part of the current negotiations.

Victoria Prentis: I think rumours of no more fishing are a bit premature. I really do. It is important to wait for the outcome of the annual negotiations, and we are very hopeful.

The Chair: Good. When do you think those might be concluded? Do you have any views?

Victoria Prentis: We are really hoping this month, are we not, Neil?

Neil Hornby: There is a very intense week of negotiations—every day this week—so we will have a better idea, come the end of this week, of where we are. We are trying to get it done as quickly as we can, given that we have already started the fishing year.

Victoria Prentis: I am not pretending this is where we ideally would be. Of course, we would rather do it before the end of the year, and we hope that in the future we will be able to. We are learning a new system at speed, and our partners are having to adjust to the new world order, as it were, where we are active as an independent coastal state. I think we are doing really well and I would like to take this opportunity to thank Neil and all of his team, as well as Phil and his team, for the enormous amounts of effort that have gone into making the transition as smooth as possible.

The Chair: Indeed. Those Norwegian negotiations sound quite tough. Perhaps we will not have their Christmas tree in Trafalgar Square next year after all.

Victoria Prentis: The Norwegians remain valued trading partners, and we have a good relationship with them. I was very pleased to sign the fisheries framework agreement with them.

The Chair: Minister, Neil, and Phil again, thank you very much. I am sure this Committee would echo your thanks, and perhaps you could convey them to Defra staff, over the very challenging requirements to get everything working between the deal being done and its implementation, literally about a week later. If you would convey that, we would be grateful.

Victoria Prentis: I would be delighted to. I fear we have an awful lot more work to do in the next couple of months, but thank you for that.

The Chair: Obviously, we will be keeping in touch on a number of issues. This Committee expires at the end of March. It will be succeeded by a climate change and environment committee, which no doubt will take on those issues, but I am sure we will speak in the meantime. Thank you very much indeed. I formally end the meeting.