EFRA Enquiry into the UK Seafood Fund
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The Prime Minister's speech on 24th. December 2020 announced that
"….to get ready for that moment [UK's departure from the Common Fisheries Policy} those fishing communities we will be helped with a big £100m programme to modernise their fleets and the fish processing industry."
This statement was made on the presumption that the UK fishing industry would have access to significantly larger fishing opportunities, a presumption that has not squared with the realities.

Nevertheless, the £100 million committed for modernisation and adaptation can only be welcome.

EFRA Enquiry

The Terms of Reference of the EFRA Committee cover:
- how effectively is the UKSF modernising fishing fleets and processing?
- How is the infrastructure fund best used for the economic growth of coastal communities?
- What are key training and skills?
- How can science and innovation be prioritised to benefit the whole sector?
- How does the UKSF improve sustainability?
- How can the UK increase catch capacity?
- How well is the UKSF engaging with industry?

There is discernible mission creep from the PM's original statement.
In large part this reflects the inherent contradiction between the original objective (which essentially follows the narrative of making the most of increased opportunities) and the proposed WTO Fisheries Agreement which is aimed at phasing out subsidies to fishing fleets in developed countries.

Central to this problem is the question of capacity with increases in capacity being effectively banned in the new Fisheries Agreement for developed countries.

ARTICLE 5: PROHIBITION ON SUBSIDIES CONCERNING OVERCAPACITY AND OVERFISHING

5.1 No Member shall grant or maintain subsidies to fishing or fishing related activities that contribute to overcapacity or overfishing. For the purpose of this paragraph, subsidies that contribute to overcapacity or overfishing include:
(a) subsidies to construction, acquisition, modernisation, renovation or upgrading of vessels;

(b) subsidies to the purchase of machines and equipment for vessels (including fishing gear and engine, fish-processing machinery, fish-finding technology, refrigerators, or machinery for sorting or cleaning fish);
(c) subsidies to the purchase/costs of fuel, ice, or bait;
(d) subsidies to costs of personnel, social charges, or insurance;
(e) income support of vessels or operators or the workers they employ;
(f) price support of fish caught;
(g) subsidies to at-sea support; and
(h) subsidies covering operating losses of vessels or fishing or fishing related activities.

Helping fishermen to upgrade their vessels (many of which are old) or encouraging new entrants with assistance towards the cost of licences and quota therefore faces obstacles. Although, in theory, fishing opportunities have increased, the actual impact for the English fleet is limited since the major beneficiaries are largely the Scottish pelagic fleet and stocks which are not fished but used for quota exchange purposes. At the same time, the usual natural variation has meant that some important stocks have seen their overall quota decreased even if the UK's share has gone up. Justifying an increase in capacity is not obvious.

As a result, the major part of the UKSF has been directed towards infrastructure. But here the problem of the length of life of the scheme makes it difficult to effectively use the funds: there are very few worthwhile projects that can be put together and completed within two and a half years. Whilst an improvement in infrastructure and logistics would generally benefit the coastal communities it is by no means clear how this would happen. Ideally funds should be concentrated around hubs but this type of approach requires a longer time frame.

A relatively small amount of funding is directed at skills and training. As it stands the funds are to be used to commission trainers to provide the relevant courses. Those courses that would provide most benefit to the fishing industry are those that are required by MCA, and are mandatory for progression to more senior roles – there is, for example, a shortage of qualified engineers. Many of the problems with existing courses relate to their location and their frequency and how economic they are without subsidisation. Some training in basic business skills would probably be of particular benefit to the younger fishermen who are seeking to develop their activities into direct sales and similar ventures.

Science, or more particularly data gathering, is an area of major interest to the fishing community. The conditions attached to the FISPP, which requires collaboration with an accredited scientific institution, mean that without facilitators (who help to identify data gaps and locate potential partners) the scheme is inaccessible to the average fisherman. Some POs and associations may be able to access it more easily but the size of the minimum amounts (and the need for match funding) mean that they tend to be few in number. SIF, on the other hand, has prioritised disruptive innovations which has benefitted chiefly aquaculture, processing, etc: fishing is a mature industry and has adopted many innovations over the years but does not easily fit into such a schema. Thought should be given to adaptive innovations which could benefit the fishing industry.

Improving sustainability is a difficult topic because there are so many types of sustainability – environmental, habitat, stock or species sustainability, social sustainability, economic sustainability. In fact, one dimensional sustainability is not really a long-term solution. If fishing is no longer economically sustainable it will have impacts upon the fabric of society, and food security, and as well as on the ecosystem (in the absence of the top predator the whole ecosystem will change and some species may even be eliminated). At the present time the stress on environmental sustainability (which often involves exporting our problems to other countries to whom we apply less rigorous standards) is not really a long-term solution at the global scale.

Catching capacity can only be increased when there is a durable increase in available fishing opportunities, otherwise the ability to catch may increase but the number of vessels will have to undergo a corresponding decrease (as with decommissioning in the 2000s). There may be the possibility of increasing demand for species that are currently unattractive to consumers but Seafish has been trying for years to increase fish consumption without any noticeable success. A major weakness of the UKSF is that it has been set up to meet Treasury's requirements. The structure of grants for short term feasibility studies and then contracts for services involves a great deal of paper work and therefore, for fishermen, larger minimum amounts than is easily digestible within the Treasury's annual limits. Advance payments could also make the scheme more attractive to smaller applicants.

In fairness, it must be remarked that, apart from SIF, the schemes have not been open very long and there is little experience as to how they may be adapted as time evolves. One of the things to beware of, however, is the concentration of projects either by institution or by area. The amount of expert resources is limited and it is not in the interests of the fishing sector to see a large amount of money going to consultants.

In summary,

1. To date the UKSF lacks a coherent strategic focus; a strategy not developed in partnership with the fishing industry is an overwhelming shortcoming
2. The Fund, to date, offers very little of direct benefit for fishermen and fishing vessel operators
3. Timescales are un-duly rushed given that the Fund could be a once in a decade chance to fund strategic, joined-up actions.

Finally, we fully endorse the submission made by the Cornish Fish Producers Organisation, reproduced below.

UK Seafood Fund
Cornish Fish Producers Organisation response to inquiry

Introduction

On the 24th December 2020 the Prime Minister announced a new UK wide fishing and seafood grant scheme … as quoted below:

"And for the first time since 1973 we will be an independent coastal state with full control of our waters with the UK's share of fish in our waters rising substantially from roughly half today to closer to 2/3 in five and a half years' time after which there is no theoretical limit beyond those placed by science or conservation on the quantity of our own fish that we can fish in our waters. And to get ready for that moment those fishing communities we will be helped with a big £100m programme to modernise their fleets and the fish processing industry."

This announcement was on the back of the Brexit deal and TCA, which was a massive, missed opportunity, as already well stated by the industry. When the £100m fund was announced, although minute in terms of the opportunity that could have been created with a better TCA / Brexit deal, is still considered a once in a lifetime opportunity to set the industry off in a positive direction. In short, the industry is eager to utilise this fund as best possible and is willing to share input to help evolve it.

With the fund launching in 2021, the £100m has been split across three pillars, with infrastructure holding the majority of funds, then science and innovation and the smallest amount set aside for training and skills. However, as far as we are aware as an industry, there was no consultation to see how the industry would benefit from the new £100m funds before announcing the three pillars.

Application process

The application process via the Bravo system is entirely new to the industry and a much more complex process and portal compared to the continually improved experience developed with the MMO's existing grant portal under EMFF, MFF and FaSS schemes.

Accessing the Bravo application process and completing the necessary paperwork is in itself a significant task, one that may suit research bodies and those familiar with other large funding programmes. However, many small fishing businesses, and fisherman's associations, would simply not have the experience, time and skills to undergo this process in order to make an eligible and quality application.

Therefore, it would be welcome to improve access to the fund as a way to encourage more grassroots applications and ensure fair access for all. Making use of the existing portal via the MMO would be seen as a positive step forward.

The competitive funding process is a way of distributing funds in a timely manner; however, it may not be the most suitable way to allocate funds fairly and address the most strategic challenges.

The timeframe to deliver the £100m is short, with a plan to complete by 2024/25. To best utilise the fund, it takes time to develop ideas, create partnerships, design smart and strategic projects and then deliver. Science, infrastructure, and developing skills take much more than two years. This is critical to the impact and legacy of the fund.

Minimum grant amounts of £250k to a maximum of £5m limit those that can access the fund. These amounts are much more suited to those with the ability to raise significant amounts of match funding and access to financial capital to cash flow projects. Further to this, these amounts immediately eliminate many grassroots projects who simply do not have the financial reserves to start a project.

Three pillars

To respond to this inquiry in a meaningful way, the below response covers each of the three pillars and includes suggestions on modifying the scheme.

1. Science and innovation

This area of the fund is welcomed as industry recognises the need to collect necessary data and evidence to better inform fisheries management. With co-management now a common phrase in relation to fisheries management plans, it seems this area of the fund is the tool to begin delivering this approach.

With the early development of some fisheries management plans in progress, in which industry is engaged, it would make sense that these funds are utilised strategically to address the data gaps required to underpin new management plans. Therefore, alignment between policy development and utilisation of these funds would be sensible.

A preferred model for delivering this pillar would be to take some inspiration from the work of Fisheries Innovation Scotland, which is a unique public-private collaboration between seafood experts, government, and scientists to champion innovation in the Scottish fishing industry. The challenges are raised by industry, and projects are then designed collaboratively and put out to tender. This approach ensures that the funds are used strategically to address real industry challenges instead of anything perceived bu outside organisations. It also limits the risk of projects being driven by research organisations or universities, which could be seen as a risk with the current UK Seafood Fund approach.

Infrastructure

This pillar holds the bulk of the funds, with at least £65m allocated to it in order to deliver the below:

- improved capability at ports, harbours and processing facilities aquaculture
- the social and economic welfare of coastal communities

Referring back to the Prime Ministers' statement on the 24th of December 2020, which mentions 'modernising the fleet', it would make sense that this pillar is where it would take place. However, as it stands, the infrastructure pillar is only open to ports, harbours and processing facilities, leaving nothing for the catching sector itself.

With pressure on the industry to reduce its environmental impact, it would be a missed opportunity not to align some of the infrastructure funds to benefit vessel owners who want to make the necessary steps towards more low carbon propulsion vessels. While the FaSS fund is open for vessel improvements, these are primarily safety-focused modernisations. In short, the infrastructure pillar could be applied to begin decarbonising the fleet, as highlighted by the NFFO in 2021 , which would then see some of the funds available to the catching sector.

Training and skills

The pillar aims to do the following:
The Skills and Training Scheme will provide a one-off fund of up to £10 million to improve training in the seafood industry, including the catching, processing and aquaculture sectors. The funding is available to organisations who can provide training to people working in the UK seafood industry.
The scheme aims to:

- *attract new entrants and encourage people to stay in the industry*
- *fill skills and training gaps in the existing workforce*
- *improve employment opportunities in coastal communities*
- *improve health, social and environmental outcomes for coastal communities*

Based on the above extract, there appears to be no direct link between this pillar and the catching sector, with funds only available to training organisations.

That aside, the aims are sensible and with some flexibility could be applied in a useful way. The existing courses in place for the catching sector are the mandatory training qualifications required to work aboard a fishing vessel safely. The main challenge to upskilling the catching sector workforce is the ability to take time away from earning at sea to stay onshore and learn, without earning. Therefore, some creativity is required to enable this.

Regarding attracting new entrants, in 2021, the CFPO developed and established a new Fisher apprenticeship standard, one that has been designed by vessel owners, skippers, crew and young fishermen, which meets the needs of the industry. Therefore in terms of attracting new entrants, the courses, qualifications, and mandatory standards are already in place to do this, see course details here and the wide range of existing Seafish new entrant courses here.

What would be welcomed would be funding opportunities that directly support the catching sector to employ and mentor new entrants and apprenticeships to build the necessary future workforce that the industry needs. Employing an apprentice comes as a cost to vessel owners. Creating projects that can either subsidise or reduce the costs and financial risks of taking on an apprentice would encourage experienced fishermen and vessel owners across a diverse range of boats to support new entrants and share their skills and knowledge.

Regarding up-skilling the catching sector workforce, many of the current u16.5m qualified skippers want to upskill and enrol onto Class 2 qualifications, which is the mandatory requirement to skipper larger vessels, where there is a shortage of skills at present. To facilitate this, they would need to find a way to maintain an income whilst learning, as the process can take up to several months. Therefore, creating ways to support those seeking to develop skills with financial support to stay ashore would be a way to develop the current workforce.

In short, the courses required to upskill / attract new entrants are already established. New courses might benefit some parts of the industry, but for the catching sector, it’s more the need to target funds towards vessel owners and individuals to enable them to overcome the barriers to employing new entrants or to those seeking to gain new qualifications and experience.

Final thought

Whilst I can only comment from a catching sector point of view, I would like to highlight that the industry welcomes this amount of investment and is willing to work with necessary partners to ensure it is best utilised and addresses the real needs.

The industry is experiencing many challenges at present, and on a regional level we have developed our own Fishing and Seafood Strategy in partnership with local authorities and the Local Enterprise Partnership. We have developed a series of actions and projects that would begin to address the current challenges, many of which would require funding support.

If there is an opportunity to help modernise the three pillars and target the funds towards certain parts of the supply chain, I feel some meaningful, and exciting work can come from it and ultimately help us move forward.