

EXPLANATORY MEMORANDUM TO

The Sea Fish Industry (Coronavirus) (Fixed Costs) Scheme (Northern Ireland)

SR 2021 No. 65

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture, Environment and Rural Affairs (the Department) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made in exercise of the powers conferred by section 15(1) and (2) of the Fisheries Act 1981, as read with paragraph 2(1) of Schedule 2 to the Sea Fisheries (Northern Ireland) Order 2002.

2. Purpose

- 2.1. The purpose of this Statutory Rule is to provide a financial support scheme during the COVID-19 pandemic to the static gear fishing fleet to help that sector deal with the continued impacts on the markets for the key shellfish species that it lands, typically crab and lobster. The scheme is to assist with the fixed costs of sea fishing vessels in the Northern Ireland fleet whose incomes have been significantly affected.
- 2.2. The Statutory Rule provides that the Department shall invite applications for funding under the scheme, details of the eligibility criteria for grants, how the amount of grant is calculated and the maximum amount of grant payable.
- 2.3. The Statutory Rule also includes an appeal mechanism and a provision for the recovery of grant where applicable.

3. Background

- 3.1. The unprecedented global COVID-19 pandemic had an immediate and significant financial impact on the sea fish catching sector across the United Kingdom due to the collapse of key export markets and restrictions on movements for public health reasons. Each of the UK Fisheries Administrations considered financial support measures for their respective fishing industries as part of their COVID-19 response to the collapse in export and domestic markets for fish.
- 3.2. In Northern Ireland, the COVID-19 crisis affected the markets for high value shellfish (e.g. crabs, lobsters, whole prawns) that would normally have been exported to Europe and the Far East. Further restrictions meant that restaurants and other establishments in the hospitality and catering sectors were closed or had limitations on the ability to provide a service.
- 3.3. In order to respond to the ongoing COVID-19 situation, on 5 October 2020 the Minister of Agriculture, Environment and Rural Affairs, Edwin Poots MLA announced a support package for the sea fishing fleet to assist with 50% of the fixed costs of eligible fishing boats over a four month period.

- 3.4 The funding provided for in this Statutory Rule is available to a Northern Ireland fishing boat which—
- (a) is owned or chartered by an eligible person;
 - (b) has a valid safety certificate issued by the Maritime and Coastguard Agency;
 - (c) at the date of the application is insured for the purposes of commercial sea fishing;
 - (d) has, during the period 1st November 2018 to 31st October 2020 (both dates inclusive), conducted more than 50% of its sea fishing activity using static fishing gear;
 - (e) has, during the period 1st November 2018 to 31st October 2020 (both dates inclusive), landed more than 50% of its value of declared sea fish landings into ports in the United Kingdom;
 - (f) has declared sea fish landings for the year 2019 which were valued at £10,000 or more;
 - (g) had a minimum of 12 declared sea fish landings during the period 1st June 2020 to 31st October 2020 (both dates inclusive); and
 - (h) is not the subject of an application for financial support under the Department's Temporary Cessation of Fishing Scheme 2020.

4. Consultation

- 4.1. The global COVID-19 pandemic had an immediate and significant financial impact on the sea fish catching sector as a result of the collapsing markets and restrictions on movements for public health reasons and DAERA officials have consulted regularly with industry representatives to discuss the possible options for financial support.
- 4.2. Throughout the COVID-19 pandemic DAERA has been engaged with key industry stakeholders in the sea fishing industry including the Anglo North Irish Fish Producers' Organisation, the Northern Ireland Fish Producers' Organisation, the North East Lobster Co-operative, the North Coast Shellfish Association and Seafish. As a result of that engagement this scheme of financial support has been designed and agreed to enable financial assistance to be paid towards the fixed costs of vessels within the static gear fleet which target shellfish.

5. Equality Impact

- 5.1. The Department considers that the proposed Statutory Rule complies with section 75 of the Northern Ireland Act 1998 and has screened this out of a full equality impact assessment.
- 5.2. The scheme design has been developed following discussion with the industry to facilitate the allocation of funding in an equitable manner to those full-time fishing vessels in the Northern Ireland static gear fishing fleet, which are reliant on

commercial sea fishing (and which were not eligible for support under the tie-up scheme funded by the European Maritime Fisheries Fund at the same time).

- 5.3 The entitlement to financial support is based on the average of the actual fixed costs of each of the eligible fishing vessels as evidenced in their most recent three years' financial accounts.

6. Regulatory Impact

- 6.1. This Statutory Rule provides financial support to the smaller fishing vessels that deploy static gear which target for example lobster and crab. These fishing businesses are not eligible for the financial assistance under the EMFF funded tie-up support scheme for the trawlers and dredging vessels which the Minister announced separately on 5 October 2020.
- 6.2 To be eligible for assistance under this Statutory Rule, businesses must meet the aforementioned eligibility conditions:
- 6.3 The financial assistance available to eligible Northern Ireland fishing boats is calculated at 50% of the average monthly fixed costs. The support is payable for a maximum of four months and the total amount payable over the four month period is capped at £5,000.

7. Financial Implications

- 7.1. It is estimated that this scheme will cost up to £390k and funding for this has been agreed with the Minister of Finance and the Northern Ireland Executive as part of the response to the COVID-19 pandemic.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. This Statutory Rule complies with the provisions set out in section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Commission Communication 2020/C91 I/01 provided for the Temporary Framework for the provision of de-minimis aid in relation to addressing the impacts of COVID-19 in the fisheries sector.

- 9.2 The Temporary Framework provides for an increased de-minimis threshold of €120k (approximately £104k) for undertakings in the fisheries sector. This Statutory Rule requires that grant awards are compliant with the Temporary Framework, including that no undertaking may receive grants totalling in excess of €120,000.

10. Parity or Replicatory Measure

- 10.1. The Government Departments with responsibility for fishing in each of the devolved administrations announced separate financial support schemes to provide assistance to respective fishing industries in Scotland, Wales and England.

11. Additional Information

- 11.1. For further information contact Paddy Campbell (02844618007) or Patrick Smith (Tel. 02844618111) at the Department of Agriculture, Environment and Rural Affairs or e-mail patrick.smith@daera-ni.gov.uk or seafisheries@daera-ni.gov.uk.