

STATUTORY INSTRUMENTS

1976 No. 304

SEA FISHERIES

BOATS AND METHODS OF FISHING

The Fishing Vessels (Acquisition and Improvement) (Grants)
Scheme 1976

<i>Made</i>	- - -	<i>29th January 1976</i>
<i>Laid before Parliament</i>		<i>10th February 1976</i>
<i>Coming into Operation</i>		<i>27th February 1976</i>

The Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales (being the Secretaries of State concerned with the sea fishing industry in Scotland and Wales respectively) in exercise of the powers conferred on them by sections 44 and 45 of the Sea Fish Industry Act 1970(a) and of all other powers enabling them in that behalf, with the approval of the Treasury and after consultation with the White Fish Authority and the Herring Industry Board, hereby make the following scheme:—

Citation, extent and commencement

1. This scheme, which may be cited as the Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1976, shall apply to Great Britain and shall come into operation on the day after it has been approved by resolution of each House of Parliament.

Interpretation

2.—(1) In this scheme, unless the context otherwise requires—
“the appropriate authority” means—

- (a) in relation to a grant in respect of expenditure incurred in the acquisition of a vessel intended to be engaged in catching or processing white fish or in respect of expenditure incurred in an improvement of or for a vessel so engaged or intended to be so engaged, the White Fish Authority, and
- (b) in relation to a grant in respect of expenditure incurred in the acquisition of a vessel intended to be engaged in catching or processing herring or in respect of expenditure incurred in an improvement of or for a vessel so engaged or intended to be so engaged, the Herring Industry Board;

(a) 1970 c. 11.

- “the control period” has the meaning assigned to it by paragraph 15(2) of this scheme;
- “improvement” has the meaning assigned to it by paragraph 3(1)(b) of this scheme;
- “the Ministers” means the Minister of Agriculture, Fisheries and Food and the Secretaries of State concerned with the sea fishing industry in Scotland and Wales respectively;
- “processing”, in relation to fish, includes preserving or preparing fish, or producing any substance or article from fish, by any method for human or animal consumption;
- “products”, in relation to fish, means anything produced by processing the fish;
- “a relevant activity” means any one of the following activities, that is to say, catching or processing white fish or herring;
- “relevant equipment” means equipment or apparatus of any description constructed or adapted for the purposes of catching or processing white fish or herring;
- “white fish” means fish of any kind found in the sea except herring, salmon and migratory trout.

(2) The Interpretation Act 1889(a) shall apply for the interpretation of this scheme as it applies for the interpretation of an Act of Parliament.

Application for grant

3.—(1) Subject to the provisions of this scheme, a person engaged or proposing to be engaged in the white fish industry or herring industry in Great Britain by carrying on the business of operating one or more vessels registered in Great Britain (of whatever size and in whatever way propelled) for a relevant activity may apply to the appropriate authority for a grant in respect of expenditure incurred—

- (a) in the acquisition of a new vessel, registered or intended to be registered in Great Britain, to be engaged in a relevant activity, including equipment required for the operation of the vessel which is sold with the vessel; or
- (b) in the acquisition, installation, modification, renewal or replacement of any part of a vessel registered or intended to be registered in Great Britain, engaged or to be engaged in a relevant activity, or of an engine or of any part of an engine of or for such a vessel, or of any relevant equipment required for, or installed or used on, such a vessel (such acquisition, installation, modification, renewal or replacement being hereinafter referred to as an “improvement”):

Provided that no grant shall be made under sub-paragraph (b) of this paragraph in respect of—

- (i) expenditure incurred in the acquisition or installation of any second-hand part of a vessel, engine, part of an engine or relevant equipment; or
- (ii) expenditure incurred in relation to an improvement in so far as, in the opinion of the appropriate authority, such expenditure can be regarded as laid out on the routine repair or maintenance of the vessel or of its engine or of any relevant equipment required for the vessel or installed or used there on.

(2) Applications for grants under this scheme shall be made in writing in such form as the appropriate authority may from time to time require, and shall be delivered to the appropriate authority at such address as they may at any time or in any particular case direct.

4. Applications for grants under this scheme may be made only by British subjects resident in Great Britain or corporations incorporated by or under the law of any part of Great Britain.

5. Applicants for grants under this scheme in respect of the acquisition of a vessel shall be required to satisfy the appropriate authority with regard to the prospect of their being able to operate the fishing vessel successfully and that they have the ability to manage, and sufficient financial resources for the purposes of, the business in which the fishing vessel will be employed.

6. The appropriate authority may require applicants to make a full statement of their financial position, including their assets, debts and obligations, and to make available for inspection by the appropriate authority, or their duly authorised agents, such books of account and other records and documents as the appropriate authority may reasonably require.

7. Where expenditure is shared by two or more persons, applications for grants under this scheme may be made in respect of either the full expenditure or part of the expenditure incurred and may be made by individual applicants or by two or more applicants jointly.

8.—(1) No grant shall be paid under this scheme unless—

- (a) the application for the payment of the grant has been approved by the appropriate authority before 1st January 1977, and
- (b) the conditions set out in paragraphs 10 and 11 of this scheme have been complied with.

(2) In considering whether or not to approve an application for the payment of a grant under this scheme, the appropriate authority—

- (a) shall have regard to the needs and interests of the white fish industry or herring industry (as appropriate to the application) or to that section thereof to which the application relates, but
- (b) shall not approve the application so far as it relates to any proportion or item of the proposed expenditure which in their opinion is unnecessary or unwarranted having regard to the benefit likely to be derived from the expenditure in respect of which the application is made.

9.—(1) The amount of grant which may be paid under this scheme shall be 25 per cent. of the expenditure approved by the appropriate authority.

(2) No grant shall be paid in respect of expenditure incurred in the acquisition of a vessel, or part of a vessel, constructed elsewhere than in the United Kingdom, unless the Ministers are satisfied that the expenditure was incurred at a cost which compares fairly with the cost at which the construction of the vessel, or part of the vessel, could have been carried out in the United Kingdom.

(3) For the purposes of this paragraph any expenditure which is incurred in the acquisition of an engine or part of an engine or any relevant equipment, incorporated into a vessel at the time of its construction elsewhere than in the United Kingdom, shall be deemed to be expenditure incurred in the acquisition of such vessel.

Conditions for payment of grants

10.—(1) The plans and specifications of the vessel in respect of the acquisition of which or of the improvement in respect of which an application for a grant is made, the tender for expenditure to be incurred and the form of contract to be entered into between the applicant and the builder, supplier or other contractor shall respectively be approved by the appropriate authority before the contract is made:

Provided that in a case where the applicant himself intends to undertake the whole or a part of any work in relation to the expenditure on which a grant may be payable the appropriate authority, instead of approving the tender for expenditure and form of contract as aforesaid shall, before such work is begun, give their approval to the undertaking both as regards the manner in which it is to be carried out and the kind, quantity and cost of the equipment or materials to be supplied in the course thereof.

(2) The vessel in respect of the acquisition of which an application for a grant is made shall be constructed and equipped, and the improvement in respect of which an application for a grant is made shall be carried out, to the satisfaction of the appropriate authority and in accordance with the plans and specifications approved as aforesaid.

(3) The vessel in respect of or in connection with which an application for a grant is made shall conform to any standards laid down under the Merchant Shipping Acts 1894 to 1970 and shall be constructed or adapted so as to make such provision for the accommodation of officers and crew as, in the opinion of the appropriate authority, conforms to the best modern practice after making due allowance for the age and kind of vessel concerned, for sleeping and messing accommodation, sanitary accommodation, medical or first-aid facilities, store rooms, catering facilities and other accommodation.

11. Any person authorised in writing by the appropriate authority shall have the right to inspect the vessel in respect of or in connection with which a grant has been or is to be made under this scheme at any time either during its construction and on its completion or during the carrying out of the improvement and on the completion of the improvement, as the case may be, and thereafter at all reasonable times within the control period.

12. No grant shall be payable under this scheme in respect of an improvement unless the appropriate authority are satisfied that the expenditure in relation to which it will be payable is likely to result in an increase in the efficiency or economy of the operation of the vessel in respect of or in connection with which the application is made as regards one or more of the following matters, that is to say,

- (a) the catching of fish,
- (b) the handling, processing or storage of fish,
- (c) the working conditions of the officers or crew,
- (d) the condition of fish or the products of fish at the time of landing, and
- (e) the safety and seaworthiness of the vessel,

regard being had to the technical and economic standards prevailing in the fishing industry at the time of the consideration of the application by the appropriate authority and to the results of any experiments and research which have relation to the subject of the particular expenditure.

13. No payment of or on account of a grant shall be made until the sum to be found by the applicant has been paid towards the expenditure in respect of which the application is made and thereafter payment of or on account of the grant may be made by the appropriate authority direct to the applicant, or on the applicant's behalf to the builder, supplier or other contractor in one sum or by such instalments and at such times as may be required in conformity with the contract, on the receipt of certificates or such further or other evidence that payment is due as may be required by the appropriate authority.

14. If any person makes a false statement or furnishes false information in respect of any of the matters required to be disclosed in connection with an application for payment of a grant under this scheme or if any of the conditions relating to the payment of grants under this scheme are not complied with by an applicant, any payment of or on account of a grant to that applicant may at any time be refused, and any such payment already made in relation to that application may be recovered by the appropriate authority.

15.—(1) Any person whose application for a grant under this scheme is approved by the appropriate authority may be required to give such undertakings as the appropriate authority may consider appropriate to the case, and in particular (but without prejudice to the generality of the foregoing) shall be required in any case—

- (a) during the control period, and as may be appropriate to the case, either to employ the vessel in respect of or in connection with which the application was made (hereinafter in this paragraph referred to as "the vessel") or to take all reasonable steps to ensure its employment in the diligent and vigorous prosecution of the catching or processing of white fish or herring to the satisfaction of the appropriate authority;
- (b) to insure the vessel and keep it insured against all marine risks and war risks during the control period in a sum approved by the appropriate authority, which shall be at least sufficient to ensure that in the event of the total loss of the vessel there will be made available sufficient moneys to meet the repayment of the grant or any part thereof which might be repayable at the date of the loss;
- (c) to keep and make available for inspection by the appropriate authority at all reasonable times during the control period any books, records or other documents necessary to enable the appropriate authority to satisfy themselves that any conditions of the grant have been complied with;
- (d) if there occurs within the control period—
 - (i) the total loss of the vessel arising out of any insured risk, to repay to the appropriate authority the whole of the grant or, if the loss occurs more than three years from the commencement of the control period, a proportion of the grant to be calculated by multiplying the total amount of the grant by the fraction which represents the relationship which the unexpired part of the control period bears to the full control period;
 - (ii) a breach of any undertaking or condition subject to which the grant was made, or a disposition by way of mortgage, transfer of registration, charter for any purpose other than the employment of the vessel in a relevant activity based on a port in Great Britain, sale or otherwise of the vessel or of any part thereof or of its engine or of any part thereof or of any equipment or

apparatus used on or in connection therewith, or of any part of a vessel, engine, part of an engine or relevant equipment which is the subject of the improvement in respect of which the grant or any part of it was made, to repay to the appropriate authority, if in their discretion they shall so require, the whole of the grant, or such lesser sum as they shall deem appropriate:

Provided that repayment under sub-paragraph (1)(d)(ii) of this paragraph shall not be required in excess of the amount which would have been repayable at the same date had the provisions of sub-paragraph (1)(d)(i) of this paragraph been applicable to the case:

Provided also that sub-paragraph (1)(d)(ii) of this paragraph shall not have effect in relation to a disposition by way of mortgage created for the raising of money applied towards the cost of construction or improvement of the vessel, being a mortgage in favour of the appropriate authority or one approved by them before it was made.

(2) For the purposes of paragraphs 11 and 15(1) of this scheme "the control period" means—

- (a) in the case of a grant paid in respect of any improvement, a period of five years commencing with the date on which the improvement was completed to the satisfaction of the appropriate authority, and
- (b) in the case of any other grant paid in respect of or in connection with a vessel, a period of 10 years commencing with the date on which the vessel was first registered in Great Britain.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 22nd January 1976.

(L.S.)

Frederick Peart,
Minister of Agriculture,
Fisheries and Food.

26th January 1976.

William Ross,
Secretary of State for Scotland.

27th January 1976.

John Morris,
Secretary of State for Wales.

Approved on 29th January 1976.

James A. Dunn,
J. Dormand,
Two of the Lords Commissioners
of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Scheme.)

This Scheme enables grants to be made by the White Fish Authority and the Herring Industry Board towards expenditure incurred in the acquisition or improvement of vessels engaged or to be engaged in catching or processing white fish or herring.

No grant may be paid under this scheme unless the relevant application is approved before 1st January 1977. The rate of grant for all vessels is 25 per cent. of the approved expenditure.

The Scheme was approved by a resolution of the House of Commons on 26th February 1976 and a resolution of the House of Lords on 26th February 1976 and comes into operation on 27th February 1976.

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