

EXPLANATORY MEMORANDUM TO
THE FISHING BOATS (ELECTRONIC TRANSMISSION OF FISHING
ACTIVITIES DATA) (ENGLAND) SCHEME 2010

2010 No 1600

1. This Explanatory Memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of her Majesty.

2. Purpose of the Instrument

2.1 The Instrument provides for the payment of grants as a contribution to the purchase or supply of approved software for the electronic recording and transmission of fishing activities data by English fishing boats over 15 metres length overall. It contains provisions relating to eligibility for grant aid, applications for grant, payment of grant, revocation of approval and recovery of grant.

2.2 Grants may be paid to owners of eligible English fishing boats or direct to software suppliers.

3. Matters of Special Interest to the Joint Committee on Statutory Instrument

3.1 None

4. Legislative Context

4.1 The Instrument is made under Section 15(1) and (2) of the Fisheries Act 1981 and provides the Secretary of State with powers to make payment of grants as a contribution towards the purchase or supply of approved electronic logbook software for use on fishing boats over 15 metres overall length whose port of administration is in England. These vessels are required by EU law (Council Regulation EC 1966/2006, Commission Regulation EC 1077/2008 and Council Regulation EC 1224/2009) to record and report catch data electronically.

5. Territorial Extent and Application

5.1 This Instrument applies in England.

6. European Convention on Human Rights

6.1 Richard Benyon has made the following statement regarding Human Rights:

6.2 In my view the provisions of The Fishing Boats (Electronic Transmission of Fishing Activities Data) (England) Scheme 2010 are compatible with the Convention rights.

7. Policy Background

7.1 The masters and owners of fishing vessels over 10 metres overall length are required to provide information on the fish that they have caught and landed. Until now this has been done using paper logbooks and landing declarations. This has proved time-consuming for fishermen and resource intensive for fisheries administrations to enter the information on databases.

7.2 As previously stated in paragraph 4, EU Regulations require that all Community vessels over 15 metres overall length should report and record catch data electronically. The use of electronic logbook technology to provide this information will provide more timely and accurate information on fishing vessel activity and enable Fisheries Administrations to better manage uptake of quotas and restrictions on fishing activities. This in turn will contribute positively to the conservation and sustainable exploitation of fish stocks.

7.3 When considering how to implement the requirements of the EU legislation, UK Fisheries Administrations decided to adopt a type approval system, allowing fishermen to choose any commercially available software capable of transmitting the necessary information in a specified format. The specification was sent to software suppliers for them to make any necessary adjustments to their products so that they could communicate with the UK communications hub. Contractors were then appointed to validate and accredit those software systems which met the agreed UK specification. Only products which have been through this accreditation process will be eligible for grant aid.

7.4 The benefits that the use of the approved software systems will bring to Fisheries Administration will be in terms of improved monitoring and enforcement and efficiencies achieved through the automated entry of fisheries data onto the fisheries activity database. It is therefore considered appropriate that Government should contribute to the purchase or supply of the software systems on English fishing boats.

8. Consultation outcome

8.1 See section 3 of the Impact Assessment for full details of the consultation exercise. Between 2005 and 2008, four consultations or stakeholder engagement papers were sent to those affected by the EU requirements. Feedback received from fishermen and their respective organisations on electronic logbook reporting systems was that since it will be primarily an enforcement tool, the cost of the purchase of the software should be met by Government.

9. Guidance

9.1 Guidelines on the format and specification for the transmission of electronic fisheries data were provided to software suppliers to help with the production or upgrading of their software systems. Guidance has also been prepared for vessel owners setting out issues to bear in mind when making a choice as to which software option they should decide on as well as the criteria that will determine whether they will be eligible for funding or not.

10. Impact

10.1 The impact of the scheme on businesses is that it will reduce the costs to them of installing this statutory equipment, in accordance with the costs set out in the Impact Assessment.

10.2 The only impact on the public sector will be for the Marine Management Organisation (MMO) which will administer the scheme on behalf of the Department. It will do so within its existing resources.

10.3 An Impact Assessment is attached to this memorandum and will be published alongside the Explanatory Memorandum on the OPSI website.

11. Regulating Small Business

11.1 There are around 280 over 15m English fishing boats that will be required to record and submit logbook information electronically.

11.2 Virtually all businesses in the fish catching sector are classified as small to medium enterprise (SME) employing a small number of staff (less than 10 employees). Grant aiding the purchase of the new software will minimise the impact of the new requirements on these small businesses. Funding will only be available to owners of fishing boats whose port of administration is in England and who purchase and use electronic logbook software that is on the published list of approved software.

11.3 The basis for the final decision on what action to take to assist small businesses was to ensure that small English businesses are not placed at a competitive disadvantage compared with their UK and EU counterparts through having to pay the full costs for electronic logbook software.

12. Monitoring and Review

12.1 The scheme will be closely monitored by the Department to ensure that the conditions for eligibility are complied with.

13. Contact

13.1 Eileen Ashamu at the Department for the Environment Food and Rural Affairs Tel: 0207 238 4437 or email Eileen.Ashamu@defra.gsi.gov.uk can answer any queries regarding this instrument.

Title: Introduction of Electronic Recording and Reporting of Fishing Activities - electronic logbooks. Lead department or agency: Department for Environment, Food & Rural Affairs Other departments or agencies: Marine Management Organisation	Impact Assessment (IA)
	IA No: DEFRA 1007
	Date: 01/06/2010
	Stage: Final
	Source of intervention: EU
	Type of measure: Secondary legislation
Contact for enquiries: Julie Fitton (Marine Programme) 020 7 238 4435	

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary? Information on fisheries activities is currently recorded in paper logbooks by Masters of fishing vessels and then submitted to Fisheries Authorities on landing along with a landing declaration. This is time consuming for fishermen when completing the paper forms and resource intensive for the Marine Management Organisation (MMO) who enter the data onto its database for stock management purposes. Introducing electronic logbooks will ensure a timely collection of data and increased accuracy with the ability to auto cross check. Government intervention is necessary to ensure a consistent and compatible system for compiling data is adopted when implementing Article 1(3) of Council Regulation 1966/2006 on electronic recording and reporting of fishing activity and to ensure value for money from the proposed funding scheme to contribute to the cost of the software and installation.	
What are the policy objectives and the intended effects? To provide a funding scheme to make a financial contribution to the cost of implementation of electronic logbooks to all vessels over 15 metres. This is a phased obligation which commenced in January 2010 and is completed by 1 July 2011 as laid out in the EU Regulation. This IA deals solely with funding of the implementation of the logbooks aspect of the Regulation and will commence in June 2010. Implementation of the EU Regulation is directly applicable and therefore does not require national legislation but will provide better controls arising from receipt of more timely data and the automation of cross-checking of data, will increase the accuracy of data held due to less keying and other errors arising from handwritten documentation. It will reduce the administrative burdens on fishers arising from the submission of paper logbooks under the previous requirements.	
What policy options have been considered? Please justify preferred option (further details in Evidence Base) Two options have been considered: Do nothing (considered as baseline only); Implementation in full requiring all fishing vessels over 15 metres in length to record and submit fishing activity data electronically, whilst offering contribution towards the cost of the software and installation. This is the preferred option as it is expected to lead to cost and administrative burden savings in future.	
When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	It will be reviewed
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY Sign-off :

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Richard Benyon Date: 12th June 2010

Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year 2010	PV Base Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: £3.4m	High: £3.91m	Best Estimate: £3.65m

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.56m	1	£0.12m	£1.61m
High	£0.56m		£0.18m	£2.13m
Best Estimate	£0.56m		£0.15m	£1.87m

Description and scale of key monetised costs by 'main affected groups'

- (i) One-off cost to government of purchasing e-logbook software for vessels [£0.56m]
- (ii) Cost to vessels of purchasing and replacing laptops [£0.14m every two years]
- (iii) Annual transmission costs for vessels [£0.05m to £0.11m]

Other key non-monetised costs by 'main affected groups'

None.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	£0		£0.64m	£5.52m
High	£0		£0.64m	£5.52m
Best Estimate	£0		£0.64m	£5.52m

Description and scale of key monetised benefits by 'main affected groups'

- (i) Annual time savings for MMO due to automatic transmission of data [£0.03m]
- (ii) Annual admin burden reductions for fishers [£0.61m]

Other key non-monetised benefits by 'main affected groups'

Will provide better controls on fish stock management from catch information being received on a daily basis, increased ability to cross-check, and improved accuracy of data.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

- (i) All vessels have to purchase new laptops and laptops have a life of 2 years.
- (ii) Value of admin burden reductions for fishers calculated using assumptions and cost estimates from a review of admin burden estimation carried out by a private consultation company exercise undertaken in 2005.
- (iii) No new vessels will enter the fleet over the time horizon.

Risk that the admin burden reductions identified and the funding scheme represent a competitive advantage for over-15 m vessels, as 10-15 m vessels are currently outside the scope of the EU Regulations (under-10s are not required to complete logbooks). This may be addressed at a later date. Under-15 m vessels will avoid the recurring costs of purchasing laptops.

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):		In scope
New AB: £0m	AB savings: £0.61m	Net: £0.61m	Policy cost savings:		No

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	England				
From what date will the policy be implemented?	01/06/2010				
Which organisation(s) will enforce the policy?	Marine Management Organisation				
What is the annual change in enforcement cost (£m)?	£0				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No (see evidence base for details)				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: N/A		Non-traded: N/A		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs:		Benefits:		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro £0.0005m ¹	< 20 £0.0005m.	Small N/A	Medium N/A	Large N/A
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties ² Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	
Small firms Small Firms Impact Test guidance	Yes	9
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

¹ This is the mid-range estimate; the range is £0.0004m to £0.0006m. Costs have been calculated on a per vessel basis.

² Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	Council Regulation (EC) No 1966/2006 & Commission Regulation 1077/2008
2	http://www.eur-lex.europa.eu
3	http://www.opsi.gov.uk/si/si2009/em/uksiem_20091847_en.pdf
4	www.defra.gov.uk/foodfarm/fisheries/enforcement/erecord.htm

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits										
Annual recurring benefits										
Total annual benefits										

* For non-monetised benefits please see summary pages and main evidence base section

Evidence Base (for summary sheets)

1. These Regulations transpose the provisions of:

- Article 1(3) of Council Regulation 1966/2006 on electronic recording and reporting of fishing activities and on means of remote sensing;
- Article 5 of Commission Regulation 1077/2008 establishing detailed rules for the implementation of the above Council Regulation.

Background

Council Regulation 2371/2002 establishes the framework designed to ensure the conservation and the sustainable exploitation of fisheries resources under the Common Fisheries Policy (CFP). Council Regulation 1966/2006 of 21 December 2006 on electronic recording and reporting of fishing activities and on means of remote sensing places obligations on Member States to electronically record and transmit

- Fishing activity data from the vessels information (as detailed in Article 9 of the Control Regulation (2847/93)) for those registered buyers and sellers of first sale fish whose income from such sale were above a certain threshold (€400K per annum), hereafter referred to as e-sales notes, and;
- Records of fishing activity (Logbook information) for vessels over 15m in length (as detailed in Art 6 of the Control Regulation (2847/93)) and the detailed rules as set down in Commission Regulation 2807/83 as amended).

Council Regulation 1966/2006 also placed an obligation on Member States to possess the technical capacity allowing them to match the positions derived by remotely sensed images with the data received by the vessel monitoring system (satellite monitoring) in order to assess the presence of fishing vessels in a given area.

This impact assessment covers the introduction of electronic logbooks only. The other aspects (introduction of electronic sale notes) have been assessed in a separate IA.

2. Rationale for Government Intervention

Fishing activity data are currently recorded in paper logbooks. This is time consuming for fishers completing the paper forms, and resource intensive for the Marine Management Organisation (MMO), which has to enter the data onto its database. It will also ensure proper application of EU law and thereby avoid the risk of infraction proceedings.

The EU requires all vessels over 15 metres in overall length to use electronic means to record and submit fishing activity data currently recorded in a paper logbook. The introduction of electronic logbooks (e-logbooks) requires Government intervention to ensure a compatible and consistent approach is adopted. Using a totally voluntary scheme would not guarantee that vessels would comply with the requirements.

Moving to e-logbooks will reduce the administrative burden for fishers and costs for the MMO. It will ensure timely collection of data and increase the accuracy of data held by the MMO through improved ability to auto-crosscheck. The scheme will also improve the accuracy of the information gathered and provide more timely information on uptake of stocks, due to information on catch on board being received every 24hrs rather than a longer period. This will in turn allow Fisheries Administrations to manage quotas better and improve the quality of the data used to underpin the science.

3. Consultation

Within Government

Discussions between UK Fisheries Administrations have continued since 2007. A small working group of representatives from each administration was set up to look closely at the detail and technical aspects of this Regulation and to steer the implementation of the detailed rules for e-logbooks in the UK.

Public Consultation

A copy of the Commission's original proposal was sent to interested organisations on 7 April 2005 requesting comments on the proposal. Seven responses were received to that consultation. Further industry engagement papers were sent out in May 2006 and July 2007 to all over 10 metre fishing vessel

licence holders and registered buyers and sellers of first sale fish alerting them to the proposal and the implications to those businesses affected.

The main points of concern raised by respondents were the additional costs of the new technology for what is felt to be an enforcement tool and also the availability of suitable equipment. Requests for consideration of Government funding of the unit and installation costs were raised and subject to limits, Defra Ministers agreed to assist fishermen within these limits.

Progress to date

Further industry engagement papers were sent out in July 2007 enclosing the draft detailed rules for implementing the Regulation with further updates being sent out following the publication of the detailed rules in February 2008.

Following receipt of the detailed rules implementing the Regulation, Fisheries Administrations wrote out (7 April 2005, 8 May 2006 and 2 July 2007) to all over 10 metre fishing vessel licence holders and registered buyers and sellers of first sale fish alerting them to the proposal.

4. Options

Two options have been identified for this proposal:

Do nothing

This is the baseline for the analysis. It would mean continuing to apply existing arrangements as set out in Commission Regulation 2847/93, which requires the Master of a fishing vessel to record details of fishing activity on a daily basis and to submit a landing declaration within 48 hours of landing into port. Paper logbooks would continue to be used by all fishing vessels concerned.

Option 1

Implement the proposal in full. This would require the information contained in logbooks and landing declarations to be completed and submitted electronically by the Master of vessels over 15 metres in overall length in accordance with the phased implementation timetable.

The UK Fisheries Administrations have produced a specification for the UK e-logbook which is available to software developers. There is also an independent approvals system which ensures that the software complies with the UK specification and is capable of communicating the required data in the correct format to the UK Fisheries Management Centre (FMC). The UK Fisheries Administrations will then provide a list of approved software from which vessel owners will be able to choose the software system that best suits their business needs etc.

The Fisheries Administrations will provide and publish a list of approved suppliers and their software and then it will be up to vessel owners to choose which of the approved software best suits their business need. This will mean that vessels owners may use the software to record and submit logbook data and to collect additional information which may be useful to improving their business practice. It should be noted though, that there is no obligation on the UK Fisheries Administrations to provide funding for the purchase of the software and this has been provided to English vessels to reduce their costs of complying with the legal requirement contained in the EU Regulations. EU aid has been included in the UK funding programme.

5. Costs and benefits

Sectors and groups affected

Sectors and groups affected

Fishing vessels over 15 metres who are currently required to complete paper logbooks and the Marine Management Organisation currently input logbook information into a Government database from paper logbooks.

Do nothing

Costs

Continuing to apply the existing arrangements and allow all Masters of fishing vessels to continue to record fishing activity on paper will not result in any additional costs. Existing costs under the baseline scenario consist of costs to the MMO of inputting data from paper logbooks, and the admin burden on fishers of completing paper logbooks.

However, there is a risk that non-implementation of this EU requirement could mean that UK vessels would be prevented from fishing in other Member States waters, 3rd Country waters (Norway) or in certain Regional Fisheries Management Organisations (RFMO) like NEAFC or NAFO. It could also leave the UK open to infraction proceedings by the Commission. The likelihood of this risk being realised is high, since the Commission is taking a close interest in the implementation of fisheries enforcement requirements by Member States following criticism by the European Court of Auditors of Commission and Member States controls under the CFP.

Benefits

There are no additional benefits from continuing with the status quo.

Option 1 – Implement the regulation

Costs

Costs to government

As part of the implementation of the whole of Council Regulation 1966/2006, Fisheries Departments are in the process of putting the necessary IT systems in place to enable them to receive and analyse electronic logbook data.

The total one-off costs of developing an IT system (communication hub) to allow the recording and submission of sales notes and electronic logbook information from registered buyers and sellers and relevant vessels and to provide automated cross-checking of this data with other fisheries information (transshipment declarations, sales notes and VMS) will be around £327K as set out in the contract with the chosen service provider. 40% of those costs will be met by England (£131K) as the remaining 60% will be shared between Scotland (40% = £131k), Northern Ireland (15% = 49k) and Wales (5% = £16K) on an agreed (based on the numbers of buyers and sellers and vessels subject to the requirement to have an electronic logbook etc). Once the communication hub is completed the 40% Defra share of the annual running costs according to the contract between the service provider and the Secretary of State for Environment, Food and Rural Affairs, will be £24K. The total annual fee for operational support and communications being £60K.

As the IT system has been developed to allow recording of e-sales notes as well as e-logbooks, the one-off and running costs of the system have already been included in the e-sales notes IA (insert link). They are therefore not included in the costs of the e-logbooks option in this IA.

It is estimated that an additional resource equivalent to 1 EO grade at a cost of £31,803³ within Marine Management Organisation headquarters in Newcastle will be required to manage the Electronic Reporting System website content and the holding area where records cannot yet be passed in to the English Fisheries Administration database (FAD). This cost was also included in the e-sales notes IA, and therefore is not included here. It is also anticipated that Marine Management Organisation headquarters will become the main enquiry point for E-logbook matters.

Defra Ministers made a commitment to provide a contribution toward the cost of the software (a maximum of £2,000 per vessel) and a funding scheme is being developed to look at delivery of this funding. Therefore, the one-off costs to vessels of purchasing the e-logbook software will be incurred by government. There are 280 over 15 metre vessels in the English fleet. The one-off cost of purchasing the e-logbook software will therefore be a maximum of £2,000⁴ per vessel, or a total of £560k. This will be incurred in the first year of implementation.

Costs to industry

While the government will fund the costs of purchasing the required software, the cost of purchasing a laptop will have to be incurred by the vessels themselves. It is not known how many vessels in the over-15 m fleet already possess laptops, therefore the conservative assumption is made that new laptops will have to be purchased by all vessels. Assuming that each laptop costs about £500, the one-off cost of purchasing laptops in the first year of implementation is estimated to be £140k.

³ Taken from Defra ready reckoner for London rate EO.

⁴ Estimated cost provided by software development company who took part in the SHEEL (Secure Harmonised European Electronic Logbook) project.

Given conditions at sea, it is estimated that vessels will have to replace their laptops every two years, i.e. four times over the 10-year time horizon used in this IA. Therefore, vessels will incur a cost of £140k every two years. Based on views from industry, it is assumed that the software will not need to be replaced over the 10-year time horizon.

It is also estimated that familiarisation training for the Master of the vessel on using the equipment will be no more than 1 hour and is based on information received from vessels involved in electronic logbook trials during 2005. Using the Standard Cost Model we can calculate the cost of training and familiarisation with the new system:

Training and Familiarisation Cost = Number of vessels affected x time taken x hourly wage rate

Therefore, = £3,382

Where:

Number of businesses affected = 280

Time taken = 1 hour

Hourly Wage = £9.29⁵ x 1.3⁶ = £12.08

There will also be ongoing transmission costs to vessels, estimated to be £15 - £33⁷ per month or £180 - £400 per annum per vessel, i.e. annual cost to industry of £50k - £111k depending on the means of reporting i.e. mobile or satellite technology. The mid-point of this range, i.e. £81k, is used to generate the best estimate of total cost and NPV.

The annual profile of monetised costs (using the mid-point estimate as described above) is shown in Table 1 below. The present value of total costs over the time horizon is £1.87m, with a range of £1.6m to £2.1m.

Benefits

Implementing the proposal in full would deliver the following benefits:

Benefits to industry

There will be an annual admin burden reduction for Masters of vessels as they would no longer be required to keep a paper logbook. During the external company consultation exercise undertaken in 2005 to cost administrative burdens from Regulations on industry it was estimated that the cost of keeping a paper logbook was £3.99mn for the over 10m vessel (then 1478). This assumed that time taken for this AB was 2.5hrs per day. This implies that the average annual admin burden of keeping a paper logbook in 2005 was about £2,700 per vessel, i.e. about £2,913 per vessel in current prices. For the 280 vessels in the over 15m category, the total admin burden associated with paper logbooks is therefore estimated to be about £816k per annum.

Although the time taken to complete the logbook electronically is currently not known with certainty, it is expected that there would be a substantial time saving when using the electronic version. For the purposes of this impact assessment, a lower bound estimate based on work carried out during an EU pilot project (SHEEL – Secure Harmonised European Electronic Logbook) of the admin burden reduction is calculated by assuming that the time taken to complete the e-logbook would be at most 25% of the time required to complete the paper version. This implies that there will be a reduction of £612k in the annual admin burden.

In addition there may be savings in postage costs associated with logbooks and landing declarations in paper form but the majority of logbooks are either collected direct from the vessel or placed in Marine Management Organisation boxes on quaysides.

It will ensure there is no loss of fishing opportunities in other Member State waters and 3rd Country waters and also avoid the risk of infraction proceedings by the European Commission as the Regulation have not been fully implemented in the UK.

⁵ Taken from the Annual Survey of Hours and Earnings 2008 by the Office for National Statistics: Gross Hourly Pay for Service Activities Incidental to Fishing

⁶ To include 30% overheads

⁷ Estimates based on information received during SHEEL trial of e-logbooks and is based on 1 transmission per day with a monthly management fee including transmission costs as estimated by software developers during the trials.

Benefits to fisheries Administrations

There will be savings from implementation of these requirements in time spent by Marine Management Organisation staff. This will allow this time to be freed up to perform other fisheries duties as the keying effort/burden reduces from automatic transmission of data by the master of the vessel.

In 2008 almost 9,000 logbooks were submitted to the Marine Management Organisation by vessels over 15 metres in overall length. This accounts for 23% of all logbooks submitted to the Marine Management Organisation in 2008. The MMO has estimated that it takes staff about 15 minutes to input one logbook. Using national AO costs of £23,648 as set out in the ready reckoner, the hourly wage rate is estimated to be £14.86. The total annual cost saving to the MMO is therefore estimated to be £33,435.

It is anticipated that these savings will not be fully realised until 12 months after the introduction of E-logbooks to take account of generation of errors due to being unfamiliar with the system. Therefore, these savings are not included until 1 year after introduction of the regulation in the summary sheet.

The automated inputting will reduce the number of keying errors and allow better risk assessment of the data using the automated cross checking system. Implementing the proposal in full will ensure proper application of the Commission Regulation and thereby avoid the risk of infraction proceedings.

During the PWC exercise undertaken in 2006 to cost administrative burdens from Regulations on stakeholders it was estimated that the annual cost of keeping a paper logbook was about £2,700 per vessel, i.e about £2,913 in current prices). For the 280 vessels in the over 15m category, the total admin burden associated with paper logbooks is therefore estimated to be about £815,640k per annum. 611,730k in the annual admin burden. It will ensure proper application of the Commission Regulation and thereby avoid the risk of infraction proceedings.

This option sits within the Fisheries Simplification plan for both Industry and Fisheries Administrations. <http://www.defra.gov.uk/foodfarm/fisheries/documents/fisheries2027draftplan.pdf>
<http://www.berr.gov.uk/files/file49354.pdf>

The annual profile of monetised benefits is shown in Table 1 below. The present value of total benefits over the time horizon is £5.52m.

As previously stated, the best estimate of present value of total costs over the time horizon is £1.87m, with a range of £1.6m to £2.1m. Accordingly, the best estimate of the NPV is £3.65m, with a range of £3.4m to £3.9m.

Table 1. Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	£563,382									
Annual recurring cost	£220,640	£80,640	£220,640	£80,640	£220,640	£80,640	£220,640	£80,640	£220,640	£80,640
Total annual costs	£784,022	£80,640	£220,640	£80,640	£220,640	£80,640	£220,640	£80,640	£220,640	£80,640
Transition benefits	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Annual recurring benefits	£611,730	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165
Total annual benefits	£611,730	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165	£645,165

Conclusions

Implementing the proposal will provide the opportunity for industry to reduce their administrative burdens currently incurred by submitting paper logbooks within the required time scales. There is also anticipated to be a saving for the Marine Management Organisation in time taken to process logbooks. These savings combined with meeting the requirements to apply the Commission regulation indicate that Option 2 is more beneficial. Therefore, this is our preferred option.

8. Small firms Impact Assessment

In England there are currently 280 vessels over 15 metres in overall length.

Virtually all businesses in the fishing industry are classified as small or medium size enterprises (SMEs). The vast majority are micro businesses (less than 10 employees). Therefore all costs and benefits identified in the evidence base apply to small firms. Burdens on all business are the same. However, as Government have agreed to make a contribution (up to 95% of the total costs with a ceiling of £2000) to the cost of the new software, the actual cost in obtain an e-logbook will be minimal. There will be additional costs of purchasing laptops and replacing them every two years, on the other hand there will also be significant admin burden reductions resulting from the elimination of paper logbooks.

9. Competition Assessment

Implementation of the electronic recording and reporting of fishing activity by vessels over 15 metres in overall length will result in a reduction in administrative burden for that sector of the Industry. The competition assessment filter was applied to these Regulation, which apply equally to all businesses and no competition concerns were identified except that these burden reductions were not being offered to smaller vessels (i.e. those vessels between 10m and 14.99m in length) as they are currently outside the scope of the EU Regulation. However this may be addressed at a later time. Smaller vessels will avoid the cost of purchasing and replacing laptops.

10. Enforcement, Sanctions and Monitoring

Enforcement of these measures will be undertaken by the Marine Enforcement Officers operating under and behalf of the Marine Management Organisation in England. The enforcement of these EU Regulations is done as part of wider routine enforcement costs. Therefore there are no specific costs attached.

11. Implementation and Delivery Plan

The requirements of Council Regulation 1966/2006 for Masters of relevant fishing vessels to electronically recording and reporting fishing activity data came into force on 1 January 2010.

Guidelines will be produced for Inspectors and required training in application of the EU Regulation will be provided. Plain English guidance notes will be prepared for the vessel owners setting out the requirements of this Regulation and issues to bear in mind when making a choice as to which software option they should decide on.

12. Post Implementation Review

Defra will carry out a review of the scheme within three years of the scheme being implemented to ensure it is operating in a reasonable and proportionate manner.

Legal Aid – this proposal creates no new criminal sanctions or civil penalties

Sustainable Development – The proposal to implement electronic logbooks conforms to the five principles of sustainable development to which the Government is committed.

Carbon and other environment – The options will have no significant effect on carbon emissions.

Health Impact – The proposal has no significant impact on human health by virtue of its effects on the wider determinants of human health; lifestyle related variables; or demand on health and social care services.

Race/Disability/Gender Equality – The implementation of electronic logbooks will be available to all owners of vessels over 15m in length. There are no limitations on the grounds of race, disability or gender.

Human Rights – The Proposal is consistent with the Human Rights Act 1998.

Rural Proofing – Rural proofing is a commitment by Government to ensure domestic policies take account of rural circumstances and needs. The majority of those employed in the fishing and support services are based in coastal communities in rural areas. The implementation of electronic logbooks is

designed to ensure the greater long term certainty about access to quota, which is a positive effect for the fishing and support services.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added to provide further information about non-monetary costs and benefits from Specific Impact Tests, if relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review:</p> <p>The review will look at the effectiveness of electronic logbook reporting and whether providing funding for purchase and use of electronic logbooks by required vessels has enabled vessel owners meet the obligations of the EU requirements.</p>
<p>Review objective:</p> <p>The objective is to check whether the funding scheme has been successful and also to see whether electronic logbooks are operating as expected and has led to expected cost savings for fishers and the MMO.</p>
<p>Review approach and rationale: industry</p> <p>We cannot at this stage confirm the approach that will be taken with the review as the funding scheme will be for a relatively short period. It will however be proportionate to the cost of implementation (less than £20 present value over 10 years).</p>
<p>Baseline:</p> <p>Currently fishing activity data are recorded in paper logbooks. Providing vessels with funding to purchase and use electronic means to record their fishing activity would improve the accuracy of data information. It is estimated that fishers currently spend 2.5 hours per day on paper logbooks and MMO staff take 15 minutes to input each logbook</p>
<p>Success criteria:</p> <p>This will be on the basis that timely and accurate information are being received immediately from those vessels required by the EC Regulations. There will be admin burden reduction and cost savings for the MMO that can be measured .</p>
<p>Monitoring information arrangements:</p> <p>The Marine Management Organisation will have the overall responsibility for monitoring and administering the scheme and this will be done as part of the wider standard routine enforcement activities.</p>
<p>Reasons for not planning a PIR:</p>

Add annexes here.