

<b>Title: Shrimp Byelaw 2016</b> <b>IA No:</b> <b>EIFCA004</b> <b>Lead department or agency:</b> <b>Eastern Inshore Fisheries and Conservation Authority</b> <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>		
	<b>Date: 23/03/2016</b>		
	<b>Stage: Consultation</b>		
	<b>Source of intervention: Domestic</b>		
	<b>Type of measure: Secondary Legislation</b>		
<b>Contact for enquiries: Julian Gregory – Acting CEO (01553 775321)</b>			
<b>Summary: Intervention and Options</b>			RPC Opinion: <b>N/A</b>

**Cost of Preferred (or more likely) Option**

Total Present Value	Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as In, Two-Out?
£m 0.001597	0.001597	£15,907	<b>£1,591</b>	<b>No</b>	<b>NA</b>

**What is the problem under consideration?**  
 The shrimp fishery in Eastern IFCA’s district represents one of the most valuable fisheries (circa £1.5m average annual 2010-2014). Marine Management Organisation collects insufficient data to effectively manage the fishery with regards to protection of Marine Protected Areas and fisheries sustainability and as such, better catch fisheries data is required (i.e. effort, spatial extent of trawls, landed weight etc.). In addition, Eastern IFCA currently has no mechanism to effectively limit effort in relation to either fisheries sustainability or protection of MPA features (NB shrimp fishing can be restricted or prohibited spatially through the Marine Protected Areas Byelaw 2016)

**Why is government intervention necessary?**  
 Eastern IFCA has a legal obligation to protect designated features of MPAs within its district and have all fisheries operating at below maximum sustainable yield.

**What are the policy objectives and the intended effects? Policy Objectives:** to enable the shrimp fisheries within the district to be managed through flexible permit conditions as required (none proposed at present) and to monitor fisheries data to determine which management measures will be most effective to ensure maximum sustainable yield and the protection of designated features of MPAs.  
**Intended effects:** to require fishers targeting shrimp to obtain a permit from Eastern IFCA, to require shrimp fishers to return fisheries data to the Authority, to enable Eastern IFCA to implement permit conditions as required.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**  
*Option 0 - Do nothing, Option 1 - Shrimp byelaw 2016 (requirement to have a permit), Option 2 - shrimp byelaw 2016 (fisheries management measures).* Voluntary measures are not appropriate given legal requirement to protect designated features of MPAs. Option 1 is considered the most appropriate given the need to manage the fishery dynamically for fisheries sustainability and the protection of MPAs.

<b>Will the policy be reviewed? It will be reviewed. If applicable, set review date: n/a</b>					
Does implementation go beyond minimum EU requirements?			<b>Yes</b>		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro Yes</b>	<b>&lt; 20 Yes</b>	<b>Small Yes</b>	<b>Medium Yes</b>	<b>Large Yes</b>
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded: N/A</b>		<b>Non-traded: N/A</b>

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 SELECT SIGNATORY: \_\_\_\_\_ Date: \_\_\_\_\_

**Description:**

**FULL ECONOMIC ASSESSMENT**

<b>Price Base Year 2015</b>	<b>PV Base Year 2015</b>	<b>Time Period Years 10</b>	<b>Net Benefit (Present Value (PV)) (£m)</b>			
			<b>Low:</b> unknown	<b>High:</b> unknown	<b>Best</b> unknown	<b>Estimate:</b>

<b>COSTS (£m)</b>	<b>Total (Constant Price)</b>	<b>Transition Years</b>	<b>Average (excluding transition) (Constant Price)</b>	<b>Annual transition)</b>	<b>Total (Present Value)</b>	<b>Cost</b>
<b>Low</b>	£0		£ 1,023		£10,226	
<b>High</b>	£0		£ 2,727		£27,269	
<b>Best Estimate</b>	£0		<b>£1,591</b>		<b>£15,907</b>	

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

A permit endorsement charge of £44 per vessel which covers the administration cost per year of issuing endorsements and processing returns data. Public monetised costs are offset by this charge.

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

Time spent by fishers completing application forms for a Shrimp permit endorsement and time spent completing catch data forms.

There will likely be a cost to the public with regards to research resultant of the catch data. In addition, enforcement costs are likely to be incurred relating to non-compliance of catch data returns.

<b>BENEFITS (£m)</b>	<b>Total (Constant Price)</b>	<b>Transition Years</b>	<b>Average (excl. transition) (Constant Price)</b>	<b>Annual Transition)</b>	<b>Total (Present Value)</b>	<b>Benefit</b>
<b>Low</b>	Unknown		Unknown		<b>Unknown</b>	
<b>High</b>	Unknown		Unknown		<b>Unknown</b>	
<b>Best Estimate</b>						

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

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

Better data collection as a result of the return catch data forms will result in better informed management of the shrimp industry, particularly in relation to protection of the Wash and North Norfolk Coast SAC. In addition, data collection and related scientific fisheries modelling will assist the fishery in The Wash in becoming a Marine Stewardship Council accredited fishery which will improve the market value of the fishery.

**Key assumptions/sensitivities/risks**

**Discount rate (%)**

**3.5**

**BUSINESS ASSESSMENT (Option 1)**

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>In scope of OITO?</b>	<b>Measure qualifies as</b>
<b>Costs: N/A</b>	<b>Benefits: N/A</b>	<b>Net: N/A</b>		

## **Evidence base**

### **1. Introduction**

The Department for Food, Environment, and Rural Affairs (Defra) has introduced a revised approach to the management of fisheries in EMS. This has resulted in the need for Eastern IFCA to establish measures to protect the features of MPAs from fishing activities where necessary to ensure full compliance with Article 6 of the Habitats Directive (92/43/EEC) and section 154 of the Marine and Coastal Access Act 2009.

In addition, there is a requirement under the Marine Strategy Framework Directive (2008/56/EC) to ensure populations of all commercially exploited fish and shellfish are within safe biological limits, exhibiting a population age and size distribution that is indicative of a healthy stock (descriptor 3) by 2020.

The shrimp industry in The Wash is of national importance (Circa 95% of the UK's shrimp landings come from the Wash fishery).

### **2. Rationale for intervention**

#### Protection of Marine Protected Areas

In order to mitigate the adverse effect of fishing activity within Marine Protected areas Eastern IFCA is required to manage fishing activity. Within the Wash and North Norfolk Coast Special Area of Conservation, several sensitive habitats have been identified as requiring protective measures in the form of regulation. Eastern IFCA intends to use a combination of spatial closures (through the Marine Protected Areas Byelaw 2016) and effort limitations to protect such features. Spatial closures are likely to have the greatest effect on the fishing industry and as such, Eastern IFCA intends to use permit conditions to limit the interaction between fishing gear and sensitive habitats to lessen the extent of spatial closures where possible.

No permit condition notice is proposed as part of this byelaw – permit conditions notices can be introduced via the process set out in the Permit Byelaw 2016 which includes the production of an impact assessment and a formal consultation with the potentially impacted stakeholders. The rationale for requiring a permit for this fishery is to allow Eastern IFCA to introduce such measures as necessary to balance the protection of the designated features.

Furthermore, monitoring and control plans are required for MPAs where no measures are proposed – the sites have to be monitored such that increases in activity which may result in adverse effects can be detected and management measures put in place as necessary. In order to effectively monitor the potential impact on MPA features, fisheries data is required at a higher temporal and spatial resolution than is obtained by the Marine Management Organisation.

#### Protection of fisheries sustainability

Eastern IFCA currently has no mechanism by which the shrimp fisheries within the district can be managed or monitored such that they operate at below maximum sustainable yield. The proposed byelaw will require shrimp fishers to return fisheries data to Eastern IFCA such that data can be analysed with a view to monitor / model the fisheries productivity to determine if management measures are required.

Management measures can then be implemented as required through the production of a permit conditions notice under the Permit Byelaw 2016. The flexibility of the permit conditions will allow Eastern IFCA to dynamically manage the fishery as required to meet the objectives of descriptor 3 of the Marine Strategy Framework Directive and reduce the procedural burden of doing so by not requiring a full byelaw amendment.

### **3. Policy objectives and intended effects**

## Policy Objectives

- To manage the shrimp fisheries within the district such that the activity does not have an effect on the designated features of Marine Protected Areas;
- To manage the shrimp fisheries within the district such that the requirements of descriptor 3 of the Marine Strategy Framework Directive are met;
- To manage shrimp fisheries in a dynamic manner, in accordance with the needs of the fishery at the time and with minimal procedural burden;
- To obtain such fisheries data as is required to determine the impacts of shrimp fishing on the Good Ecological Status and the designated features of Marine Protected Areas which are coincidental of shrimp fisheries.

## Intended effects

- To require shrimp fishers active within the district to obtain a permit which is endorsed for shrimp fishing;
- To require shrimp fishers to return such fisheries data as is required by Eastern IFCA;
- To enable Eastern IFCA to implement (through the process set out in the Permit Byelaw 2016) such measures as are required for the protection of the marine environment and fisheries sustainability through the issuing of a Permit Conditions Notice.

## **4. The options**

### *Option 0 – do nothing*

The 'do nothing' option would not enable Eastern IFCA to effectively manage the shrimp fisheries within the district. Relying solely on spatial closures to protect designated features of MPAs would likely result in impacts on the fishing industry beyond that which is proportionate. In addition, this would provide no mechanism to manage shrimp fisheries with regards to fisheries sustainability or descriptor 3 of the Marine Strategy Framework Directive.

### *Option 1 – Shrimp Byelaw 2016: requirement to obtain a permit endorsed for shrimp fishing*

Option 1 would require shrimp fishers to obtain a permit endorsed for shrimp fishing. In the first instance the only condition impact to the fishers relates to the return of fisheries data to Eastern IFCA. Additional permit conditions (for example effort limitation, increased mesh sizes etc.) would be implemented as required through the issuing of a permit conditions notice through the Permit Byelaw 2016 (which would involve formal consultation and the production of an impact assessment).

Such a regulatory mechanism would enable Eastern IFCA to dynamically manage the fishery based on its needs at any one time rather than be restricted by 'fixed' byelaw provisions (which would require an amendment to the byelaw to change).

### *Option 2 – Shrimp Byelaw 2016: fixed measures*

Option 2 would allow Eastern IFCA to manage the shrimp fisheries by using byelaw provisions. It would not allow for dynamic fisheries management based on the needs of the fishery at the time including, for example, annually changing effort limitations based on maximum sustainable yield models.

## **5. Analysis of costs and benefits**

### Option 0 – Do nothing

No monetary costs are associated with this option however; failure to comply with the Habitats Directive in a timely manner can result in infringement and large fines on member states.

### Option 1 – Shrimp Byelaw 2016: requirement to obtain a permit endorsed for shrimp fishing

The only cost associated with this option relates to the permit endorsement fee which is proposed to cover the administrative costs of the processing permit applications and returns data. The fee does not

reflect the likely research which will be undertaken relating to fisheries sustainability or enforcement costs associated with non-compliance with requirement to return fisheries data.

Benefits cannot be monetised but are likely to be of significant economic value. Protection of the designated features of MPAs within the district (particularly in the Wash and North Norfolk Special Area of Conservation) using only spatial restrictions and prohibitions (through the Marine protected Areas Byelaw 2016) will likely have a disproportionate effect on the shrimp fishery – it is proposed that adverse effects of features can be more appropriately mitigated through a combination of closures and gear management.

In addition, the shrimp fishing industry in The Wash (which is the primary shrimp fishery in the district) are actively seeking Marine Stewardship Council accreditation for the fishery. A more complete understanding of the fishery (effort, stock health etc.), control measures and protection of the environment are all required to attain certification. Through the more complete management of the fishery, the shrimp fishing industry should be closer to meeting MSC requirements which would have economic benefits if achieved.

Furthermore, there is a reduced cost to the public compared to a conventional byelaw (with management measures fixed as byelaw provisions) in that there is a lesser procedural burden in changing such measures if associated with a permit conditions notice. Using permit conditions will also enable Eastern IFCA to be more reactive to the requirements of the fishery with regards to maximum sustainable yield modelling.

#### Option 2 – Shrimp Byelaw 2016: fixed measures

The cost to the industry would include the cost of the byelaw provisions which have not been decided yet – e.g. effort limitations, loss of catch due to minimum mesh size increases etc.

There is a potential cost to the industry associated with the time taken to amend permit conditions if they are written as byelaw provisions – i.e. the difference in time that it takes to amend or revoke a permit condition using the Permit Byelaw 2016 is much less than a byelaw provision. It is foreseen that management of the shrimp fishery will be dynamic in line with maximum sustainable yield models – potentially, fishers could be 'locked' into management measures which are unsuitable to the fishery (causing a risk to the fishery) or overly prohibitive (e.g. catch limitation too low given the modelled data) for longer due to the extra procedure which needs to be undertaken to amend a byelaw provision.

In addition, there is an increased cost to the public associated with MMO quality assurance and ministerial consent.

Given the dynamic nature of the fishery it is likely that additional costs will be incurred with this approach in addition to that of option 1.

#### **One In Two Out (OITO)**

**OITO is not applicable for byelaws as they are local government byelaws introducing local regulation and therefore not subject to central government processes.**

#### **Small firms impact test and competition assessment**

**No firms are exempt from this byelaw as it applies to all firms who use the area, it does not have a disproportionate impact on small firms. It also has no impact on competition as it applies equally to all businesses that utilise the area.**

#### **Conclusion**

Option 1 provides the best balance between a flexible approach and security of due process. Requiring shrimp fishers to have a permit (under the Permit Byelaw 2016) enables Eastern IFCA to introduce Permit Conditions as required by the fishery with reduced procedural burden and to meet the needs of the fishery dynamically and at the lowest cost to the fishers and the public.

Measures to protect sensitive habitats within the Wash and North Norfolk Coast must be in place by December 2016 – permit conditions will be used to address any mitigation required to protect the sub-features.

The initial measures include only a permit endorsement charge and a requirement to return catch data. The associated charge represents only the (estimated) administration fee relating to the permit.

***Recommended option: Option 1 – Shrimp Byelaw 2016: requirement to obtain a permit endorsed for shrimp fishing***