

From: Will Wright, Chief Officer Kent and Essex IFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority – 22 May 2018

Subject: **Inshore Vessel Monitoring**

Classification: Unrestricted

Summary: The purpose of this paper is to advise members of the status of the joint IFCA / MMO project to roll-out inshore Vessel Monitoring Systems (iVMS) to the under 12m commercial fishing fleet and to agree to the use of financial reserves to initially fund the installation of iVMS units within the district.

Recommendations:

1. **NOTE** the content of the report.
2. **AGREE** that KEIFCA continues to participate in the project and barring unforeseen developments to make this inadvisable, submit a bid to the EMFF for the requisite overall funding as soon as possible and in any event by the end of June 2018.
MEMBERS SHOULD NOTE that by submitting such a bid we are not locked irreversibly into the process. As emphasised above, the project is still ongoing and a decision to withdraw from the project after 30th June could be made if insurmountable difficulties arose, although that is not anticipated.
3. **AGREE** that the Chief and Assistant Chief Fishery Officers continue to manage the project for KEIFCA and that any urgent decisions required to progress with the relevant activities agreed by the Authority be delegated to the KEIFCA Chief Fishery Officer, in consultation with the Chairman and Vice Chairman.

Background

Vessel Monitoring Systems (VMS) are required to be fitted and operated on all licensed fishing vessels over 12m in overall length. These units have a two-hourly reporting rate and communicate via satellite telephones, which reflects the fact that such vessels primarily work offshore.

In December 2012 Defra asked the MMO to lead a project to co-ordinate the development of iVMS as a potential management solution for inshore fisheries and Marine Protected Areas (MPAs). The project was developed in partnership

with the ten IFCAs and its scope included achieving type approved devices for installation on under 12m overall length licensed fishing vessels and exploring funding opportunities to achieve the same. In August 2016 devices from three suppliers achieved 'type approved' status for their iVMS units, namely AST, Succorfish and Marine Instruments. All three devices communicate via mobile telephone (GSM/GPRS).

Developing national legislation

After discussions between regulators there was agreement that a national approach was needed to develop a standard iVMS regulation for English waters. Since these initial discussions, briefings from Defra, suggest that iVMS and the traceability it provides is likely to be particularly important in the post Brexit world where it is understood that fishers are likely to have to have a clear and official record of where they have fished for export and trade purposes with Europe. Defra have subsequently led and prioritised this workstream, and intend to introduce a Statutory Instrument (SI) to mandate the fitting and use of iVMS to all licensed fishing vessels under 12m overall length. This work, has Ministerial support, is at an advanced stage and it is intended to go for public consultation in May 2018.

It is currently suggested that the proposed national regulation for iVMS going out to consultation will likely apply only to under 12m vessels operating within 6nm of the coast (i.e. IFCA districts) with a likely reporting rate, anticipated to be every 10 minutes based upon the nature of inshore fisheries and marine protected areas. This means that over 12m vessels could operate on a two-hourly reporting rate, even within inshore waters. It is recognised that this could create an inconsistency in the regulatory framework.

A possible solution to address the reporting rates for over 12m vessels operating inshore might be for the MMO to draft a 'boilerplate' byelaw for each IFCA to implement. The byelaws could replicate the requirements of the SI to make them applicable to over 12m vessels (VMS units can provide iVMS functionality since they can provide more frequent reporting rates and communicate via mobile telephone when inshore). Although it is useful from a planning perspective to start to look at range of possible options, experience has shown it is usually unwise to pre-empt a government consultation and officers will update the Authority with any progress.

Developing a programme to limit the cost of iVMS introduction on the industry

A joint IFCA/MMO project has been formally established to manage the roll-out of iVMS units under the European Maritime and Fisheries Fund (EMFF). The EMFF control fund rules provide that applications must be from public bodies, which in the case of the iVMS project will be individual IFCAs. Funding can only be re-claimed retrospectively, which means that IFCAs will be required to pay the full cost for the installation of iVMS units and then claim the cost from EMFF funds. Only 90% of the cost can be re-claimed but in anticipation of this Defra agreed to fund the remaining 10% and lodged what was estimated to be the requisite amount (£300k) with Eastern IFCA at the end of the 2016-17 financial year.

The project is currently developing three pathfinder sites as a means of moving forward and developing protocols and processes to facilitate the wider roll-out of iVMS. The pathfinder sites are Devon & Severn IFCA for mobile gears, Eastern

IFCA for fisheries in the Wash and Southern IFCA for the clam and cockle fishery in Poole Harbour. Plans to roll out iVMS to the rest of the country are under development and are based upon dividing the fleet by vessel length. Because of the complexity involved, particularly regarding the number of vessels (circa 2,700), IFCA districts are being used as a means of administering the roll-out.

Running the iVMS project

Defra has made it extremely clear that it sees a requirement for IFCAs to have a key role in the development of the national iVMS project, working with the MMO particularly regarding the utilisation of EMFF funding to cover 90% of the cost (as previously stated the balance of 10% is being paid by Defra and is now held by Eastern IFCA).

MMO has appointed a Project Manager, and they are also planning to appoint two Project Coordinators to particularly liaise between the iVMS suppliers and the industry including regarding delivery and installation of the systems. The agreed approach seeks to minimise the functions that IFCA are required to undertake and to provide support for those functions that cannot be completed fully by the project team. Notwithstanding this, the project is a joint IFCA/MMO workstream and it cannot be undertaken without some input from each IFCA.

KEIFCA involvement in the project

Bids for EMFF have to be lodged by IFCAs with the MMO by the end of June 2018. Although the application form for bids is still awaited from the MMO, this should be hopefully fairly straight forward. It is estimated that there are 147 under 12m fishing vessels with their home port located within the KEIFCA District. Whilst a detailed roll-out plan is still under development it is currently anticipated that there will be three tranches over the next three years:

Tranche 1 (2018-19) - 9m to 11.99m vessel length – approx. 69 vessels*

Tranche 2 (2019-20) - 6m to 8.99m vessel length – approx. 52 vessels*

Tranche 3 (2020-21) – under 6m vessel length – approx. 26 vessels*

*Vessel numbers are those whose home port is within the KEIFCA district

A key element that will fall to IFCAs is the requirement to fund the full cost of procurement and installation in advance and to re-claim retrospectively. With an indicative cost of £1,314 per iVMS unit (including installation) expenditure of circa £193k would take place over three years. This is broken down to £91k in 2018/19, £68k in 2019/20 and £34k in 2020/21.

KEIFCA currently has circa £1.5 million in reserves, therefore it is anticipated that the projected level of expenditure on iVMS, which will ultimately be re-claimed, can be absorbed. It should be noted that the intention is to have a monthly EMFF claim process with a maximum 8-week turnaround, which should avoid IFCAs requiring a large sum for iVMS.

The following are examples of key iVMS project activities that will also require input from KEIFCA:

Appoint iVMS Liaison Officer – single point of contact with the nominated Project Co-ordinator to facilitate all project activities required of the IFCA.

Appoint Process/Finance Approval Officer – Responsible for signing off agreed processes, finance artefacts, complete EMFF reimbursement and project related documentation on behalf of individual IFCA's. May be the same person as the Liaison Officer.

Submission of EMFF Funding Application – Templates and required details will be provided by the project team so completion and submission of applications by individual IFCA's should be a relatively straightforward exercise.

Review and Sign off IVMS Support Contract - Support contracts will be similar to the one Devon & Severn are currently developing with suppliers for a data reporting and provision SLA. It is likely that DSIFCA's completed contract will be adopted as a template but this will require individual IFCA to review, amend and approve for their district.

Introduce 'boilerplate' byelaw for over 12m vessels – Required to mandate consistent 'ping rates' within IFCA districts.

Project Risks

Developing a system that provides an opportunity of grant funding for iVMS for all licensed fishing vessels in England is a complex project and as such there are inevitably associated risks. These are mitigated through the structure and processes of the project, including risk and issues registers, in line with PRINCE 2 project management methodology. The project sits under a wider Control Capability Programme within the MMO, which provides a further layer of checks and balances that help to mitigate project risks

As indicated above, the project is now coming to a critical juncture and deadlines are being set, although the project is still in a state of ongoing development and members are asked to note the following points:-

Financial

Whilst project overspend is judged to be a low likelihood, if there were to be an overspend it is likely to be very small per IFCA and recoupment would be sought from Defra, although at this stage that is not guaranteed.

Because EMFF is an EU funding stream, EU exit introduces a financial risk because it will occur during the lifetime of the project. This risk is mitigated because HM Treasury have agreed to underwrite the project. However, to secure this guarantee applications must be submitted by June 2018. Plans are in place to ensure that this takes place albeit it relies upon every IFCA fully engaging with the project.

IFCA funding in terms of new burdens from Defra to our constituent councils to supplement precepts is not secure or guaranteed beyond 2019. This was raised with Defra, but no guarantees could be given over and above Defra emphasising their continued support for the role of IFCA's, the work we have done to date and the high regard in which we are held.

Legal

A key risk for consideration by IFCA's is that as the applicants for EMFF funds they are technically the owners of the equipment and the Terms and Conditions of Grant would apply to them. To address this the EMFF funding team have approved that an agreement is drawn up that will transfer responsibility for compliance with the Terms and Conditions of Grant to vessel owners following installation of the equipment.

KEIFCA Resource

Administratively, the process relating to this project is likely to be burdensome for each IFCA, particularly in our administration team and enforcement officers helping to coordinate the project. A key aspect of the project, which has been raised at the project board, will be to try and develop a constant trickle of applications rather than sudden surges, as these will be hard for everyone in the project to adequately address. We have suggested to the project board that the project should be run on a first come first served premise.

Additional KEIFCA byelaw

It is possible IFCA's might need to make a byelaw in addition to the statutory instrument to cover vessels of over 12 metres for the iVMS system which has different criteria to the VMS currently fitted to over 12s. There could be costs (officer time and advertising) associated with introducing a byelaw to require over 12m vessels to comply with 10-minute reporting rates when within the district. However, a 'boiler-plate' byelaw could be drafted by the MMO and KEIFCA could work with other IFCA's to share costs of making a byelaw (advertising costs, Impact Assessment text etc).

Next steps

Although IFCA's have been assigned a role in the iVMS project, it should be emphasised that it is of course a decision for each individual IFCA whether to participate. As highlighted above the project is still being developed and key issues still need to be addressed and actions delivered. KEIFCA officers will continue to work with the iVMS project board to resolve or mitigate these outstanding issues. Proceeding quickly with the iVMS EMFF bid is important so that the project can be underwritten by HM Treasury, however if key issues remain unsatisfactorily resolved the bid could always be withdrawn. As normal with such a project, progress will be regularly updated and reported to the Chairman and Vice-Chairman, with the Chairman having the ability to call a specific meeting if in the unlikely event it is required. Regular quarterly updates of the projects progress will also be made at quarterly Authority meetings.

Having said all of the above, iVMS is felt to be an excellent development for fisheries management and it has great advantages for the overwhelming majority of commercial fishers who are law abiding and hard working. The use of vessel monitoring has proved invaluable in managing the Thames cockle fishery (especially last year when managing effort in specific areas) and the recorded data can be vital to fishermen when large infrastructure projects are proposed. In addition, the main thrust of the project should not be lost – that KEIFCA is trying to help provide an opportunity for the local industry to get the iVMS systems, which will become a legal requirement, for free.

Recommendations:

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