

Amending the economic link licence condition in sea fishing licences

Equality Impact Assessment (EQIA)

September 2022



Scottish Government
Riaghaltas na h-Alba
gov.scot

Economic Link: Fishing Vessel Licence Condition EQIA

Title of policy

Amending the economic link licence condition in sea fishing licences.

Minister

Mairi Gougeon, Cabinet Secretary for Rural Affairs and Islands.

Policy Lead

Allan Gibb, Acting Deputy Director, Sea Fisheries.

SG Officials involved in EQIA

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Directorate

Marine Scotland.

Legal power used

1. Powers contained in schedule 3, paragraph 1 of the Fisheries Act 2020, The Sea Fish Licensing Order 1992 (as amended), the Sea Fish (Conservation) Act 1967 (as amended) and The Sea Fishing (Licences and Notices) (Scotland) Regulations 2011.

New Policy

2. The Scottish Government is amending the economic link criteria applying to Scottish fishing vessels to deliver greater socio-economic benefit from Scotland's sea fish quota.

Policy Aim: summary

3. The policy's aim is to strengthen the economic link licence condition for Scottish registered vessels to achieve greater benefits to Scotland and its fisheries-dependent communities from Scotland's fishing opportunities. Licence conditions are to be amended so that landings of fish into Scotland form the main basis for compliance with economic link provisions.

4. The policy aligns with the Future of Fisheries Management Strategy¹ and its support for inclusive economic growth, strengthening of local communities, and supporting a strong, sustainable and resilient fishing industry.

5. In line with the Strategy, these amendments to economic link conditions strengthen the link between the offshore fishing industry and onshore interests.

¹ [Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/future-fisheries-management-strategy-2020-to-2030/pages/1-introduction.aspx)

Recognising the benefits that fishing can have for communities, onshore processing, local markets, healthy eating and sustainable food supplies, and opportunities for training and employment.

6. Current licence conditions apply to fishing vessels over ten metres in length, landing more than two tonnes of quota stocks and provides licensees with a number of ways in which they can satisfy economic link provisions including:

- by landing 50% of quota stocks caught in any calendar year into UK ports (“the landings target”);
- by employing crew 50% of whom normally reside in the UK;
- by incurring 50% of operating expenditure in the UK; or
- if a licence holder fails to meet any of these options or a combination thereof, they are required to provide quota to their relevant authority – so called “**Gifted Quota**”.

7. On 30 August 2017, the Scottish Government issued a public consultation seeking views on:

- Making landings into Scotland the main basis of the economic link licence condition and that options for demonstrating the link through crewing and/or operating expenditure should be removed (on the basis that they provide substantially less economic benefit than direct landings into Scotland).
- That the landings target included in the economic link licence condition, should increase from 50% to 55%.
- That there should be transitional arrangements in relation to landings of pelagic fish.
- For those vessels not meeting the landings target, arrangements should continue to be in place whereby they could continue to gift quota to the Scottish Government.

8. Following on from the consultation process, and having considered the responses to the consultation and other available evidence, the Scottish Government will introduce the following amendments to economic link arrangements from 1 January 2023:

- landings into Scotland will form the main basis for compliance with the economic link licence condition;
- the options for demonstrating compliance through crewing and/or operating expenditure will no longer be available;
- the option to gift quota in lieu of landings into Scotland will continue with the formula used to estimate a suitable quota gift amended to better reflect the GVA from fishing;
- the minimum level for qualifying for economic link criteria will increase from landings of two tonnes to landings of 10 tonnes;
- the required rate to satisfy the landings target will increase from 50% to 55% for demersal and shellfish stocks covered by the provision;
- the landings target rate for pelagic species will be phased in and increased to 55% over a three year period.

- This will see the introduction of the following landings targets for pelagic species:
30% landings in 2023
40% landings in 2024
55% landings in 2025
- the landings target will only cover the eight most important species, by landed value, into Scotland. These are – herring, mackerel, *Nephrops*, haddock, monkfish, cod, hake and whiting (“the 8 key species”) which account for 90% of the value of total landings by Scottish vessels of TAC stocks.
- The policy will be kept under review and may be amended if required.

9. The intention is that landings of valuable species into Scotland will increase with a resultant increase in socio-economic benefit to coastal communities.

10. Our analysis shows that landings into Scotland, as opposed to crewing and vessels’ operating expenditure, provide a stronger economic link between Scotland’s fishing opportunities and Scotland as they result in greater economic activity in Scotland.

11. This is particularly relevant for the pelagic sector, given its relatively low levels of labour intensity which limits the scope to spread the economic benefits arising from Scotland’s fishing opportunities from the catching sector to coastal communities through crewing.

12. Vessels not meeting the landings target will be required to gift quota to the Scottish Government. These additional fishing opportunities will be allocated in such a way as to bring socio-economic benefits to Scottish coastal communities.

KEY FINDINGS - impact assessment of benefits and/or disadvantages.

13. A thorough assessment of the impacts of the policy change is undertaken in the accompanying Business Regulatory Impact Assessment.

14. The greatest benefits arising from this change are expected to accrue to pelagic processors who can expect to see increased supplies of fish. Benefits are also expected to extend to ports, market operators and onshore services.

15. The main disadvantages are expected to be felt by pelagic vessels landing significant quantities of mackerel and herring outside of Scotland.

16. For those pelagic vessels that become non-compliant as a result of the change, the impact varies from vessel to vessel. These vessels will either have to land increased tonnages of any of the 8 key species into Scotland or gift quota to the Scottish Government.

Summary costs and benefits of the preferred option (expected 2023 prices, discounted)

Total benefit per annum: - economic, environmental, social

17. Expected to deliver benefits of between £53.6 million to £223.6 million across a 10 year time horizon. The central scenario indicates benefits of £82 million across 10 years.

18. Key non-monetised benefits include: stable supply chains; targeted quota gifting to deliver benefits to fishing dependent communities; improved export penetration; potential to reduce environmental and financial costs from reduced steaming.

Total cost per annum:- economic, environmental, social, policy and administrative

19. Expected monetised costs range from £3.9 million to £12.8 million across a 10 year time horizon. The central scenario indicates costs of £6.0 million across a 10 year time horizon.

20. Key non-monetised costs include: minimal administrative costs; possible increased steaming costs; up- and down-stream sectors might wish to invest in their businesses to make the most of economic opportunities arising from increased landings of valuable fish stocks into Scotland; potential costs in shifting business relationships; potential costs if crew and expenditure patterns change; costs from potential labour shortages in this industry.

21. From the above, this proposal is expected to deliver net benefits of £49.7 million to £210.6 million (expected 2023 prices) and is therefore expected to be highly beneficial to Scotland.

Protected Characteristics

22. In developing the amendment to the economic link criteria, we spoke to a range of fisheries organisations representing people with one or more of the protected characteristics which included trade bodies and individual companies which are representative of the sector. We also drew from existing evidence and work undertaken in respect of Scotland's Future Fisheries Management Strategy and its associated EQIA. Together this helped us shape the policy in a way which recognises the importance of assessing new and revised policies against the needs of the general equality duty as set out in section 149 of the Equality Act 2010 to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between people who share a protected characteristic and those who do not, and foster good relations between people who share a protected characteristic and those who do not. The Scottish Government also considered whether the amended licence criteria could constitute direct and/or indirect discrimination.

23. We are also mindful that the equality duty is not just about negating or mitigating negative impacts, we also have a positive duty to promote equality. We have sought to do this in line with the principles of the National Performance Framework which supports a range of national outcomes including delivering a sustainable economy, delivering fair work and thriving businesses.

24. It should be noted for each of the protected characteristics below that the priority driver behind this policy change is to maximise the economic return from landings of a national resource which will deliver socio-economic benefit to our coastal communities. We focused our efforts and considerations in maximising benefit to as many businesses and jobs as possible.

Age: Older People and Children and Young People

25. Children, young people and older people would not be directly affected by the policy change to economic link conditions. However, they may be indirectly supported through the anticipated wider benefits to fishing communities through increased investment in local infrastructure, though it is recognised that data was not available to assess this potential impact.

26. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](#)

Sex: Men and Women (Corporate awareness and consideration of gender imbalance within the industry)

27. Findings from a review of research literature, case studies and examples of good practice from Scotland and beyond, alongside existing government strategies, to provide insights into challenges and opportunities presented for women in Scottish fishing was published on 22 June 2022.²

Key findings from the report include that:

- Women make significant contributions to the wellbeing and successes of local communities and the fishing industry through their paid and unpaid labour.
- Women are mostly employed in onshore roles such as administration and seafood processing. They are also responsible for domestic work and childcare. Their work is often undervalued and underappreciated because it is informal and less visible, but essential nonetheless. There is a strong need to acknowledge, appraise, and highlight their contributions.
- As noted above, many more women work in the downstream processing industry than the fishing industry. For example, a recent report showed that 99% of those employed in the UK fish catching sector were men whereas other data shows employment of women in the UK processing sector at around 40%.^{3 4}

² <https://www.gov.scot/publications/women-scottish-fisheries-literature-review-experiences-challenges-opportunities-women-working-scottish-fishing-industry/>

³ 2021 Employment in the UK Fishing Fleet — Seafish - <https://www.seafish.org/document/?id=7D65694D-7F4F-4BFC-ACD0-EB4D6C66A549>

⁴ [Processing Enquiry Tool | Tableau Public - https://public.tableau.com/app/profile/seafish/viz/ProcessingEnquiryTool/2021Overview](https://public.tableau.com/app/profile/seafish/viz/ProcessingEnquiryTool/2021Overview)

28. The policy change being implemented is expected to provide additional economic opportunities in Scotland's pelagic processing sector. As we expect to see additional jobs created in the processing sector we anticipate a positive impact for women, through increased employment opportunities.

29. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](#)

Race

30. A large proportion of the fishing sector (onshore and offshore) is made up of foreign or migrant workers. A 2019 report looking at the labour force in the UK seafood processing sector showed that in Scotland, 60% of workers in the seafood processing sector are non-UK.⁵ As we expect to see additional jobs created in the processing sector as a result of this policy change, we anticipate there to be positive impacts on persons who are protected under the Equality Act 2010 on the grounds of their race as a result of these new employment opportunities.

31. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](#)

Disability

32. There is little available information or data available about the employment of disabled people in different fishing industry roles.

33. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](#)

Religion and Belief

34. This specific characteristic is not likely to be affected and data was not available to assess the impact.

35. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](#)

⁵ [Labour and Employment in UK seafood processing 2019 Annual Report — Seafish](#)

Sexual Orientation

36. This specific characteristic is not likely to be affected and data was not available to assess the impact.

37. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](http://www.gov.scot/Supporting%20documents%20-%20Future%20fisheries%20management%20strategy%20-%202020%20to%202030)

Pregnancy and maternity

38. There is very little available information or data available about this protected characteristic in relation to employment in the fishing industry.

39. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](http://www.gov.scot/Supporting%20documents%20-%20Future%20fisheries%20management%20strategy%20-%202020%20to%202030)

Gender reassignment

40. There is very little available information or data available about this protected characteristic in relation to employment in the fishing industry.

41. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](http://www.gov.scot/Supporting%20documents%20-%20Future%20fisheries%20management%20strategy%20-%202020%20to%202030)

Marriage or Civil Partnership

42. This specific characteristic is not likely to be affected and data was not available to assess the impact.

43. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](http://www.gov.scot/Supporting%20documents%20-%20Future%20fisheries%20management%20strategy%20-%202020%20to%202030)

Socio-economic disadvantage: any people experiencing poverty

44. As set out in the accompanying Business Regulatory Impact Assessment, it is estimated that the policy change will see an increase in onshore employment opportunities - particularly in the pelagic processing sector where average FTE pay is significantly above minimum and living wage thresholds. This will provide additional employment and training/upskilling opportunities in these coastal communities and therefore could have a positive impact on those experiencing poverty.

45. Further consideration of this characteristic as it relates to national fisheries policy is undertaken in the EQIA in respect of the development of Scotland Future Fisheries Management Strategy. [Supporting documents - Future fisheries: management strategy - 2020 to 2030 - gov.scot \(www.gov.scot\)](http://www.gov.scot/Supporting%20documents%20-%20Future%20fisheries%20management%20strategy%20-%202020%20to%202030)

Stakeholder Engagement:

46. We have engaged extensively with a broad range of stakeholders across Scotland in the development of this policy and the amendment of the existing licensing criteria, including key stakeholders, national organisations and representative bodies, including a public consultation.

Mitigations

47. There are no negative impacts identified for any of the equality groups considered above. For those characteristics where we did not have any relevant existing evidence for assessing whether impacts would occur or not, we would be looking to monitor and review the position within the development of future policy and initiatives under Scotland's Future Fisheries Management Strategy.

Next Steps (if any)

48. Amended economic link arrangements will be introduced from 1 January 2023. This policy change will be kept under review.

Declaration and Publication

49. I have read the Equality Impact Assessment and I am satisfied that it represents a fair and reasonable view of the expected equality impact of the measures implemented.

Signed: Allan Gibb, Acting Deputy Director



Date: 05/09/2022



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