

# NWIFCA Quarterly Meeting

## 16<sup>th</sup> September 2016: 11.00 a.m.

**AGENDA  
ITEM NO.  
8**

### PERMIT TO DREDGE BYELAW

**Purpose of Report:** To report progress with this byelaw and present options for charging

**Recommendations:** That the Authority recommends which option for charging should be used

#### **Introduction**

1. Comments on the byelaw from MMO and TSB have been incorporated in the version attached. The only outstanding question is the permit fee structure.

#### **Permit fees**

2. The MMO have commented that the Authority's previous practice of charging dredge permit fees according to vessel length may not be in line with current treasury guidance. Alternative approaches should be considered.
3. MACAA gives IFCAs powers to charge for services and IFCAs generally are introducing permit fees as byelaws are reviewed. Government policy is that agencies recover the **full cost** of public services with charges in place of paying for services from general taxation. Government guidance is at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/454191/Managing\\_Public\\_Money\\_AA\\_v2\\_-jan15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf)
4. The guidance advises that the same charge should be applied to all users of a defined service. In summary, charging large businesses/vessels more than small ones for a service where the cost is the same is not in accordance with the guidance. This is a reason why the NWIFCA proposal has been queried. The Authority has sent evidence as in this paper that having different charging categories for vessels with different catching capacity is fair and supported by industry. MMO have raised a query with Defra and a response is awaited.
5. The main target for the dredge permit byelaw is the seed mussel fisheries of Morecambe Bay. The fishery varies from year to year in scale, area and timing. The fishery is generally open for less than 50 days per year in summer to autumn.
6. Fixed management costs are incurred by the Authority regardless of the size of the fishery. In addition there are variable inspection monitoring and compliance costs dependent on the number of days fished. In table 1 costs have been estimated for a fishery lasting 15 days.
7. Vessels range from small under 10m vessels with 0.5m dredges catching a maximum of 5000kgs per day (sale value £500) to 50m vessels with 16m dredges catching up to 300 tons per day (sale value of £30,000).
8. The cost to the Authority of operating the fishery is estimated to be on average approximately £50,000 / year. Members may wish to consider the level of cost recovery which would be appropriate taking account of treasury guidance. The following charging options are being considered:

Table 1	Activity	Time in Officer Days & Cost
<b>Fixed work to open the fishery</b>	Surveys (ground & aerial)	20 days
	Analysis	5
	Draft and agree HRA. Reporting to TSB	10
	Consult with industry sectors, agree & issue authorisations	5
<b>Fixed Costs</b>	7.4h Day @ £55 per officer hour = £407 per day	40 days = £16,280
<b>Inspection and Enforcement</b>	Variable depending on the number of days fishing	4 IFCOs for 15 days = 60 days (Cost £24,420)
<b>Patrol Vessel</b>	£1800/day	5 days = £9000
<b>Variable Costs</b>	15 days	£33,420
<b>Total Costs</b>		£49,700
<b>5 vessels/yr Average (last 10 yrs)</b>	Cost per vessel	£9940

### Charging options (full cost recovery)

9. **Option 1:** Adopt a standard charge for all vessels of e.g. £10000 per year. This is most in line with Treasury guidance. However, this fee would likely exclude small boat operators and may be considered unfair to such operators.
10. **Option 2:** A standard dredge permit fee of e.g. £10000 per vessel but exclude vessels under 10m vessels from the fee. Crew of vessels under 10m who were not Byelaw 3 permit holders would pay a fee of £500 each to maintain parity with byelaw 3 permit holders (but not become a full Byelaw 3 permit holder).
11. **Option 3:** Set permit fees based on vessels length and/or catching capacity, as previous practice as in the following table given as example.

Vessel length	Catching capacity	Dredge size	Permit fee per year
Under10m	Up to 5000 kg/day	0.5m	£500
10-30m	5000 to 50000 kg/day	0.5-10m	£2000
Over 30m	50,000 to 500,000 kg/day	More than 10m	£10000

12. **Option 4:** A levy on the catch of e.g. £10 per1000kg caught. Skippers will be required to submit data on catch returns, which would be used to invoice the levy.
13. These options have been discussed with MMO byelaws officers but they are not able to advise on which may pass legal scrutiny by MMO and Defra.
14. The Authority is asked to agree its preferred option for development and further discussions with MMO and Defra.

CEO  
6<sup>th</sup> September 2016