ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND INFRASTRUCTURE SERVICES

12 November 2015

Update on management of Marine Protected Areas and Special Areas of Conservation

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the current position of Scottish Government on management proposals for existing Marine Protected Areas (MPA) and Special Areas of Conservation (SAC).
- 1.2 The EDI Committee approved formal responses to Marine Conservation Order (MCO) consultations for Loch Sunart to Sound of Jura MPA and the South Arran MPA in August and requested that further representation be made to the Rural Affairs, Climate Change and Environment (RACCE) Committee in order to influence parliamentary scrutiny of management proposals during Autumn 2015.
- 1.3 These representations from the Council and other interested parties led to the RACCE Committee taking verbal evidence from fishing representatives and requesting clarification from Scottish Government on a number of questions.
- 1.4 The Cabinet Secretary's response to the RACCE Committee defends the Government's proposals and appears to discount the economic concerns raised by the Council and others. If management measures are implemented as proposed then it will be essential that Scottish Government commit to monitoring of the environmental and economic impact of management measures in MPAs and SACs to ensure management is effective and proportionate to its benefits; and the delivery of a package of financial measures to help mitigate the local economic impact on individual fishing businesses, the local supply chain and associated coastal communities.
- 1.5 Following the outcome of the RACCE Committee process the Cabinet Secretary will present the Government's conclusions on the recent MCO consultation, including when final management measures will come into force. If further consultation is not required the Cabinet Secretary's decision is final and there is no further formal process to influence outcomes.

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2.0 INTRODUCTION

2.1 Following a detailed report on the management of Marine Protected Areas considered by the committee in August, this report provides an update on the current position of Scottish Government on management proposals for existing Marine Protected Areas (MPA) and Special Areas of Conservation (SAC).

3.0 **RECOMMENDATIONS**

3.1 That the committee:(i) notes the contents of the report.

4.0 DETAILS

4.1 Background

- 4.11 In July 2014 Scottish Government designated thirty Nature Conservation MPAs across Scotland which alongside existing marine SAC and Special Protection Areas (SPA) created a Scottish Marine Protected Area network
- 4.12 The Scottish Government subsequently consulted on different management approaches for a selection of MPAs and marine SACs between November 2014 and February 2015. For the long established SACs this looked to deliver new management or revise previously agreed management. This consultation covered two SACs and five MPAs either within Argyll and Bute or relevant to our coastal communities. The Council submitted an officer response to this consultation which was consistent with the approved response to the 2013 consultation on the designation of a suite of Marine Protected Areas across Scotland.
- 4.13 In June Richard Lochhead announced the Scottish Government's proposed management measures for the MPAs and SACs covered by the consultation. The announcement included a <u>report</u> which summarised the main views from the consultation and the Government's decision on proposed management measures for each MPA/SAC and initiated the publication of four <u>draft Marine Conservation Orders</u> (MCO) for consultation until 9 August 2015.

4.2 What has happened since the August EDI Committee meeting

- 4.21 Argyll and Bute Council submitted detailed responses to the Marine Conservation Order consultations for the Loch Sunart to Sound of Jura MPA and the South Arran MPA. These responses were approved by the EDI Committee in August and focused largely on the potential localised economic impact on the fishing industry and associated coastal communities.
- 4.22 As directed by the EDI Committee, the Executive Director, in consultation with the policy leads for Planning & Regulatory Services and Economic Development, submitted additional representation on MPA/SAC management proposals to the Cabinet Secretary Richard Lochhead and the Rural Affairs, Climate Change and Environment (RACCE) Committee, in order to influence parliamentary scrutiny of proposals in Autumn 2015. This letter is included in Appendix 1 of this report.
- 4.23 As a result of significant representation to Scottish Government on the new MPA management proposals, and in particular, concern relating to the economic impact of proposals on the fishing industry, the RACCE Committee requested a delay in the process of laying the various Scottish Statutory Instruments relevant to management of MPAs before Parliament until the Committee had an opportunity to consider stakeholder concerns. This request was agreed to by the Cabinet Secretary and the RACCE Committee then held a verbal evidence session on the 23rd September which involved representatives from the fishing industry across Scotland.
- 4.24 Following this session the RACCE Committee wrote to the Cabinet Secretary seeking clarification on a number of issues, including:
 - The rationale for decisions reached by Government in setting MPA boundaries and management measures;
 - The evidence used for management decisions and extent of independent and transparent testing of evidence;
 - Whether this evidence included calculations of socio-economic impact on stakeholders and assessment of sustainability of fish stocks for future fishing needs;
 - How concerns about fishing vessel safety were taken into account and in particular, the need for small inshore vessels to be able to fish in sheltered areas; and
 - How were decisions on management communicated to all those involved in the consultation process.
- 4.25 The Cabinet Secretary <u>replied</u> to the RACCE Committee on 9th October and his main points to the Committee included:
 - The Cabinet Secretary wishes to ensure that all management measures are in place by the end of the Parliamentary term (19th December 2015);
 - Further public consultation will be required on any significant changes to the draft Marine Conservation Orders;
 - Government feel that the majority view of stakeholders on the management proposals presented in the 2014 consultation was that they were 'seen to be variations of minimalistic management measures favourable to the mobile fishing industry';
 - That pre-consultation stakeholder workshops identified clear disagreement over management options for the larger MPAs;

- A 'recovery' conservation objective for some features of the South Arran MPA has led to stricter management proposals;
- Where an MPA protects a feature which is the only example in the MPA network i.e. not covered by more than one MPA, then proposed management measures are more precautionary to give greater certainty to their conservation;
- The scientific evidence base for designation of MPAs was subject to independent scientific review which concluded that it supported the designation of the MPAs;
- The consultations on the four draft Marine Conservation Orders (covering management proposals which were significantly different from those presented in the 2014 consultation) can be considered an independent and transparent test of the decisions; and
- The Cabinet Secretary will wait for the outcome of the RACCE Committee process before announcing conclusions from the MCO consultation process. At this point an updated economic assessment of management proposals will be published.
- 4.26 The RACCE Committee <u>responded</u> to the Cabinet Secretary on 28 October concluding that due to differences in views on the four MPAs subject to MCO consultations it ultimately falls to Scottish Government to make a final determination on how to proceed based on best available evidence. Other key points included:
 - Welcomed Cabinet Secretary's decision to continue to consider any unintended socio-economic issues;
 - Highlighted that final decisions should recognise the need to ensure responsible, environmentally sustainable fishing interests and jobs are protected and appropriate compensation considered;
 - Urged that final decisions should be reached within a timeframe which allows the necessary statutory instruments to be considered by Parliament before the Session 4 (March 2016); and
 - To facilitate proper parliamentary scrutiny of the impact of MPAs on fishing communities, recommended that Scottish Government undertake a review of MPAs and report to Parliament and the successor Committee no later than March 2019.

4.3 Next stages

- 4.31 The Cabinet Secretary is now due to present the Government's conclusions on the recent MCO consultation, including when final management measures will come into force. If further consultation is not required the Cabinet Secretary's decision is final and there is no further formal process to influence outcomes.
- 4.32 If further public consultation is to occur on those MPAs covered by a Marine Conservation Order, the Council can make further representations however consultation is likely to occur over a period of 4 weeks making it difficult for consideration by the EDI committee.
- 4.33 If current measures are implemented as proposed then some form of financial assistance will be essential to mitigate the local economic impact on individual fishing businesses and the local supply chain. A specific package of measures should be created and made available by Scottish Government to directly support fishing businesses adapt to change. This should include support to modify or

change vessels and/or gear, to diversify into other maritime activity and decommissioning.

5.0 CONCLUSION

- 5.1 The Cabinet Secretary's response to the RACCE Committee seeks to justify the Government's proposals which were announced in June 2015 including the original methodology for assessing the potential economic impacts of management measures. The RACCE Committee has concluded its consideration of stakeholder concerns over a number of MPA management proposals and it is now for Scottish Government to make final decisions on management. If management measures are implemented as proposed then it will be essential that Scottish Government commit to undertake the following:
 - Short and long-term monitoring of the environmental and economic impact of management measures in MPAs and SACs to ensure management is effective and proportionate to its benefits; and
 - A dedicated package of financial measures to help mitigate the local economic impact on individual fishing businesses the local supply chain and associated coastal communities.

6.0 IMPLICATIONS

- 6.1 Policy Positively influencing the proposed management of a Scottish network of marine protected areas assists the Council deliver the SOA outcome for a diverse and thriving economy, and its commitments for the environment.
- 6.2 Financial None
- 6.3 Legal None
- 6.4 HR None
- 6.5 Equalities None
- 6.6 Risk Some proposed MPA management measures are likely to result in local economic impacts on coastal communities in Argyll and Bute.
- 6.7 Customer Services None

Executive Director of Development and Infrastructure – Pippa Milne **Policy Lead –** David Kinniburgh

13th August 2015

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Glossary of terms

Mobile gear fishing – Fishing activity which involves towed gear such as trawling or dredging.

Marine Conservation Order (MCO) - may be made by Scottish Ministers to further the conservation objectives of a Marine Protected Area by regulating activities.

Marine Protected Areas (MPA) – Scottish marine designated site to protect specific nature conservation features including habitats, species and geological features.

Special Areas of Conservation (SAC) – European nature conservation designated site protecting habitats or species of conservation importance at European level.

Special Protection Area (SPA) - European nature conservation designated site protecting bird species of conservation importance at European level.

Appendix 1 – Additional representation to Scottish Parliament and Cabinet Secretary

Argyll and Bute Council Comhairle Earra Gháidheal agus Bhóid Argyll Bute COUNCIL

Development and Infrastructure Services Executive Director: Pippa Milne

> Kilmory, Lochgilphead, Argyll, PA31 8RT Tel: 01546 604076 pippa.milne@argyll-bute.gov.uk

15 September 2015

Ron Gibson MSP Convener Rural Affairs, Climate Change, and Environment Committee The Scottish Parliament Edinburgh EH99 1SP

Dear Mr Gibson,

Consideration of legislative proposals to implement fisheries management measures in existing Nature Conservation Marine Protected Areas and marine Special Areas of Conservation

It is understood that the RACCE Committee will be considering Orders laid in parliament under the Inshore Fishing (Scotland) Act 1984 and Marine (Scotland) Act 2010, which will implement a series of fisheries management measures for Marine Protected Areas (MPA) and Special Areas of Conservation (SAC) across Scotland.

Argyll and Bute Council responded to the recent consultations on draft Marine Conservation Orders for the Loch Sunart to Sound of Jura MPA and the South Arran MPA and raised significant concern over the potential for localised economic impact on the fishing industry, its supply chain and associated coastal communities. This response was approved by our Environment, Development and Infrastructure Committee which requested that these concerns were expressed directly to the RACCE Committee during their scrutiny of the MPA management proposals.

Our specific concerns are outlined in the annex below, which I hope will be useful to the Committee. It is important to note that these concerns are framed in the context of the high sensitivity of Argyll and Bute to economic changes and the current and future implications of a growing MPA network on the economic viability and productivity of our coastal area.

Marine Scotland's consideration of the socio-economic implications of proposed MPA management measures has underestimated the potential for significant localised economic impacts on the fishing industry and associated coastal communities. It is therefore considered essential that a more detailed local level assessment informs parliamentary scrutiny of proposals. I am aware that Marine Scotland have been looking at the predicted economic impact in more detail, but not having seen these figures request that the recently published economic assessment commissioned by Scottish Fishermen's Federation (SFF) is considered in relation to proposals for South Arran MPA and Loch Sunart to Sound of Jura MPA.

If current measures are implemented as proposed then some form of financial assistance will be essential to help mitigate the local economic impact on individual fishing businesses and the local supply chain. In this regard, a specific package of measures is considered a priority which should be made available by Scottish Government to directly support fishing businesses to adapt to change. This would need to include support to modify or change vessels and/or gear, to diversify into other maritime activity and decommissioning.

I am aware of the Committee's proposal to hold an evidence session on 23 September and would wish to outline that I would welcome an opportunity for Argyll and Bute Council to give oral evidence if this was helpful to the Committee in their scrutiny of the legislative proposals for MPA and SAC management.

Yours sincerely

Pippa Milne Executive Director, Development and Infrastructure Services

Cc. Richard Lochhead MSP, Cabinet Secretary for Rural Affairs, Food and Environment

Annex

Balance between environmental protection and sustainable economic use

There is no doubt as to the quality and diversity of Argyll and Bute's coast and inshore waters, making our coastal area one of our prime assets which requires protection and wise management and is critical to our economic success. It is therefore vital that this resource is used sustainably. While the Council is supportive of the principle of MPAs and the long term environmental and economic benefits that may arise from a well-managed network, it is vitally important that the right balance is struck between environmental protection and socio-economic impact on marine activities and coastal communities.

Taking a balanced view of the potential environmental benefits and economic impacts, management measures proposed for many of the MPAs and SACs in our area are broadly supported. It is our view however that the new proposals detailed in the Marine Conservation Orders for Loch Sunart to Sound of Jura MPA and South Arran MPA have gone further with restrictions on fishing activity than expected and was previously discussed with stakeholders. While it is agreed that the new proposals are ambitious, it is considered that some individual measures and the potential cumulative economic impact of all MPA/SAC management measures on the inshore fishing industry in Argyll and Bute are not proportionate when considered at a local scale and will result in elevated economic risk to associated coastal communities. In addition, the Council is also concerned that the displacement of fishing activity resulting from the proposed restrictions could lead to localised environmental impact through increased intensity of fishing activity in areas outside MPAs.

Importance of fishing industry in Argyll and Bute

Inshore fishing is of significant cultural and economic importance and is a key component of the rural economy of Argyll and Bute. As identified in the Council's Economic Development Action Plan, this industry is an important element of the key growth sector, food and drink which also directly supports our tourism product.

The Scottish Sea Fisheries Statistics 2013 identify Argyll and Bute as having the second highest regional dependency on fishing as a percentage of the total labour force. This equates to 1% of the population in Argyll and Bute which is five times higher than the national average. An economic report and development plan for the aquaculture and fisheries sector on Mull¹, estimated that 3.5% of the working population are fishermen and 5.8% work in fishing and associated services such as processing. A recent scoping study commissioned by Scottish Fishermen's Federation² suggests a similar high dependency on fishing of 3.2% in the Mid Argyll, Kintyre and the Islands area, which includes the fishing communities of Tarbert, Campbeltown and Carradale. These figures clearly identify the local economic importance of fishing activity in Argyll and Bute and that restrictions on fishing activity have the potential for a much greater economic impact on individual coastal communities.

Marine Scotland estimates of economic impact

It is our view that the national and site level assessments from Marine Scotland significantly underestimate the potential socio-economic impacts at a local scale which will extend beyond a reduction in catch value to a range of supply chain businesses including processing, transport, servicing and food retailers. At a national level, combined loss in catch value is estimated by Marine Scotland to represent around 2% in GVA and employment terms which the Minister has stated will largely be mitigated by the potential to fish elsewhere or for vessels to change to more sustainable methods of fishing. While it is recognised that there is potential for some economic impact to be offset in the long-term there are however the following barriers and issues associated with this mitigation that need to be accounted for:

- Existing vessels are designed to fish in specific locations and conditions in inshore waters which may not be able to fish in alternative areas;
- The significant costs associated with changing fishing vessel and/or fishing gear;
- Increased fuel costs and lost time from having to fish in new areas further afield;
- Increased level of conflict between mobile and static gear fishing in areas remaining open to mobile gear fishing and from displacement of fishing within MPAs; and
- Increased level of creel fishing which unless carefully managed could have a negative impact on stocks and the environment.

Loch Creran SAC/MPA

The Council is disappointed that Marine Scotland have decided to take forward the closure of Loch Creran SAC to trawling as opposed to their preferred approach in the 2014 consultation which would have allowed trawling to occur in areas where no protected features existed. This proposal will revoke the existing statutory zoning arrangement for fishing activity which was developed and supported by the Argyll Marine SAC management forum and allowed established fishing activity with no evidence of impact on the SAC to continue.

For many years and prior to the designation of Loch Creran SAC in 2003 the loch has been fished by a single small vessel, targeting prawns by trawling and creeling. The fisherman involved has been a strong advocate of the SAC and an important daily presence on the loch in terms of reporting any activity which might threaten the SAC. The proposed restriction on trawling activity will restrict the fisherman to creeling only which no longer presents an economically viable fishery. Options to manage this change for this small business would require significant investment in additional creels or changing to a larger vessel to enable fishing outside Loch Creran. In these circumstances it is essential that individual fishing businesses are given financial support to either exit the industry or adapt their fishing practices.

Alternative measures

Proposed measures to restrict trawling activity in Loch Creran SAC/MPA and scallop dredging in the South Arran MPA appear to have been selected on the basis of the level of perceived risk to designated features and a decision to simplify management measures to make them easier to understand and enforce. This approach has led to what is considered to be overly precautionary

¹ Mull Aquaculture and Fisheries Socio-Economic Study and Development Plan (2014)

² Socio-economic Effects of Proposed Marine Conservation Order 2015: A Scoping Study (2015)

and restrictive measures to the exclusion of more complex zonal arrangements which would have allowed fishing to occur adjacent to protected features through a permit scheme which could have been adequately enforced through vessel monitoring. If more complex measures will work in terms of enforcement and meet the conservation objectives while allowing economic activity to continue then this is considered a more sustainable and proportionate response than closing the entire MPA to this activity.

Risk to local fishing industry and coastal communities

A number of fishing businesses in North Argyll and Kintyre have estimated between 25 and 100% loss in annual turnover as a result of lost access to current fishing grounds and subsequent increased competition from displacement. The grounds lost are also important winter fishing areas further restricting options for year round fishing representing an increased loss of income during the winter months. This closure of sheltered winter fishing grounds will mean that fishermen will have to fish in other areas which are more exposed and potentially less suited to the individual vessel with a resulting increased safety risk. These businesses therefore feel that the MPA proposals present a significant threat to their economic viability with associated supply chain businesses expressing concern over potential reductions in landings and supply of shellfish.

It is important to note that our economic concerns are framed in the context of the high sensitivity of Argyll and Bute to economic changes and the current and future implications of a growing MPA network on the economic viability and productivity of our coastal area.

Argyll and Bute has seen a decline in population of 3.6% between 2001 and 2011 and has the second largest projected proportionate population decrease of all 32 Scottish local authorities (decline of 14% to 2037, compared to Scottish increase of 9%). Population decline is the most significant threat to the Argyll and Bute economy and our Economic Development Action Plan therefore actively seeks to support economic growth of established and emerging industries including fishing as part of the key food and drink sector.

The current MPA network in Argyll and Bute coastal waters includes 11 designated sites covering approximately 12% of our coastal waters. With proposals for further designations this could increase beyond 60% coverage with unknown implications from new management proposals and potential for creeping strengthening of management over time, which we have seen to date with marine SAC's and latterly with MPA proposals.

It is therefore concluded that coastal communities on Mull, Oban and the Kintyre peninsula are particularly sensitive to any restriction on fishing activity due to high dependency on fisheries related employment, continued population decline and the potential for further restrictions as the MPA network grows.