STATUTORY INSTRUMENTS

1981 No. 1765

SEA FISHERIES

BOATS AND METHODS OF FISHING

The Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1981

Made - - - -	*8th December* 1981
Laid before Parliament	*18th December* 1981
Coming into Operation	*8th January* 1982

The Minister of Agriculture, Fisheries and Food, and the Secretaries of State respectively concerned with the sea fish industry in Scotland, Wales and Northern Ireland, in exercise of the powers conferred on them by section 15(1) and (2) and 18(1) of the Fisheries Act 1981(a) and of all their other enabling powers, with the approval of the Treasury, hereby make the following scheme:—

Citation and commencement

1. This scheme may be cited as the Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1981 and shall come into operation on 8th January 1982.

Interpretation

2.—(1) In this scheme unless the context otherwise requires—

"the control period" means

(*a*) in the case of a grant paid in respect of any improvement a period of 3 years commencing with the date on which the improvement was completed to the satisfaction of the Ministers, and

(*b*) in the case of any other grant paid in respect of or in connection with a vessel, a period of 5 years commencing with the date on which the vessel was first registered in the United Kingdom.

"improvement" has the meaning assigned to it by paragraph 3(1)(*b*) of this Scheme;

"the Ministers" means the Minister of Agriculture, Fisheries and Food and the Secretaries of State respectively concerned with the sea fish industry in Scotland, Wales and Northern Ireland;

(a) 1981 c. 29.

"processing", in relation to sea fish, includes preserving or preparing fish, or producing any substance or article from fish, by any method for human or animal consumption;

"products", in relation to sea fish, means anything produced by processing the fish;

"relevant equipment" means equipment or apparatus of any description constructed or adapted for the purposes of catching or processing sea fish.

(2) Any payment of grant made under this scheme by the Ministers may be made by any of them and any reference in the scheme to such payment shall be construed accordingly.

Application for grant

3.—(1) Subject to the provisions of this scheme, any person engaged or proposing to be engaged in the sea fish industry by carrying on the business of operating one or more vessels registered in the United Kingdom (of whatever size and in whatever way propelled) for the purpose of catching or processing sea fish may apply to the Ministers for a grant in respect of expenditure incurred—

(*a*) in the acquisition of a new vessel, registered or intended to be registered in the United Kingdom to be engaged in the catching or processing of sea fish, including equipment required for the operation of the vessel which is sold with the vessel; or

(*b*) in the acquisition, installation, modification, renewal or replacement of any part of a vessel registered or intended to be registered in the United Kingdom, engaged or to be engaged in the catching or processing of sea fish, or of an engine or any part of an engine of or for such a vessel, or of any relevant equipment required for, or installed or used on, such a vessel (such acquisition, installation, modification, renewal or replacement being hereinafter referred to as an "improvement"):

Except that no grant shall be made under sub-paragraph (*b*) of this paragraph in respect of—

(i) expenditure incurred in the acquisition or installation of any second-hand part of a vessel, engine, part of an engine or relevant equipment; or

(ii) expenditure incurred in relation to an improvement in so far as, in the opinion of the Ministers, such expenditure can be regarded as laid out on the routine repair or maintenance of the vessel or of its engine or of any relevant equipment required for the vessel or installed or used thereon.

(2) Applications for grant under this scheme shall be made in writing in such form as the Ministers may from time to time require, and shall be delivered to them at such address as they may at any time or in any particular case direct.

4. Applicants for grant under this scheme in respect of the acquisition of a vessel shall be required to satisfy the Ministers with regard to the prospect of their being able to operate the vessel successfully and that they have the ability to manage, and sufficient financial resources for the purposes of, the business in which the vessel will be employed.

5. The Ministers may require applicants, in relation to the application made, to make a full statement of their financial position, including their assets, debts and obligations, and to make available for inspection by the Ministers, or their duly authorised agents, such books of account and other records and documents within their possession or control as the Ministers may require.

6. Where expenditure is shared by two or more persons, applications for grant under this scheme may be made in respect of either the full expenditure or part of the expenditure incurred and may be made by individual applicants or by two or more applicants jointly.

7.—(1) No grant shall be paid under this scheme unless—

(*a*) the application for the payment of the grant has been approved by the Ministers before 1st January 1985, and

(*b*) the conditions set out in paragraphs 9 and 10 of the scheme have been complied with.

(2) In considering whether or not to approve an application for the payment of a grant under this scheme, the Ministers—

(*a*) shall have regard to the needs and interests of the sea fish industry or to that section thereof to which the application relates, but

(*b*) shall not approve the application so far as it relates to any proportion or item of the proposed expenditure which in their opinion is unnecessary or unwarranted having regard to the benefit likely to be derived from the expenditure in respect of which the application is made.

8.—(1) The amount of grant which may be paid under this scheme shall be 25 per cent. of the expenditure approved by the Ministers.

(2) No grant shall be paid in respect of expenditure incurred in the acquisition of a vessel, or part of a vessel, constructed elsewhere than in the United Kingdom, unless the Ministers are satisfied that the expenditure was incurred at a cost which compares fairly with the cost at which the construction of the vessel, or part of the vessel, could have been carried out in the United Kingdom.

(3) For the purposes of this paragraph any expenditure which is incurred in the acquisition of an engine or part of an engine or any relevant equipment, incorporated into a vessel at the time of its construction elsewhere than in the United Kingdom, shall be deemed to be expenditure incurred in the acquisition of such vessel.

Conditions for payment of grant

9.—(1) The plans and specifications of the vessel in respect of the acquisition of which, or of the improvement in respect of which, an application for a grant is made, the tender for expenditure to be incurred and the form of contract to be entered into between the applicant and the builder, supplier or other contractor shall respectively be approved by the Ministers before the contract is made:

Except that in a case where the applicant himself intends to undertake the whole or a part of any work in relation to the expenditure on which a grant may be payable the Ministers, instead of approving the tender for expenditure and form of contract as aforesaid shall, before such work is begun, give their approval to the undertaking both as regards the manner in which it is to be

carried out and the kind, quantity and cost of the equipment or materials to be supplied in the course thereof.

(2) The vessel in respect of the acquisition of which an application for grant is made shall be constructed and equipped, and the improvement in respect of which an application for a grant is made shall be carried out, to the satisfaction of the Ministers and in accordance with the plans and specifications approved as aforesaid.

(3) The vessel in respect of or in connection with which an application for a grant is made shall conform to any standards laid down under the Merchant Shipping Acts 1894 to 1979 and shall be constructed or adapted so as to make such provision for the accommodation of officers and crew as, in the opinion of the Ministers, conforms to the best modern practice after making due allowance for the age and kind of vessel concerned, for sleeping and messing accommodation, sanitary accommodation, medical or first-aid facilities, store rooms, catering facilities and other accommodation.

10. Any person authorised in writing by the Ministers shall have the right to inspect the vessel in respect of or in connection with which a grant has been or is to be made under this scheme at any reasonable time either during its construction and on its completion or during the carrying out of the improvement and on the completion of the improvement, as the case may be, and thereafter at all reasonable times within the control period.

11. No grant shall be payable under this scheme in respect of an improvement unless the Ministers are satisfied that the expenditure in relation to which it will be payable is likely to result in an increase in the efficiency or economy of the operation of the vessel in respect of or in connection with which the application is made as regards one or more of the following matters, that is to say—

(*a*) the catching of sea fish,

(*b*) the handling, processing or storage of sea fish,

(*c*) the working conditions of the officers or crew,

(*d*) the condition of sea fish or of sea fish products at the time of landing, and

(*e*) the safety and seaworthiness of the vessel,

regard being had to the technical and economic standards prevailing in the sea fish industry at the time of the consideration of the application by the Ministers and to the results of any experiments and research which have relation to the subject of the particular expenditure.

12. No payment of, or on account of, a grant shall be made until the sum to be found by the applicant has been paid towards the expenditure in respect of which the application is made and thereafter payment of, or on account of, the grant may be made by the Ministers direct to the applicant, or on the applicant's behalf to the builder, supplier or other contractor in one sum or by such instalments and at such times as may be required in conformity with the contract, on the receipt of certificates or such further or other evidence that payment is due as may be required by the Ministers.

13. If any person makes a false statement or furnishes false information in respect of any of the matters required to be disclosed in connection with an application for payment of a grant under this scheme or if any of the conditions relating to the payment of grant under this scheme are not complied with by an

construction or improvement of the vessel, being a mortgage approved by the Ministers before it was made.

Amendment of earlier schemes

15.—(1) The Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1967(**a**) is amended as follows—

(*a*) in paragraph 16(2)(*a*) for "five years" there is substituted "three years"; and

(*b*) in paragraph 16(2)(*b*) for "ten years" there is substituted "five years".

(2) The Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1976(**b**) is amended as follows—

(*a*) in paragraph 15(1)(*d*) by substituting for sub-paragraph (i) thereof the following sub-paragraph—

"(i) the total loss of the vessel arising out of any insured risk, to repay to the appropriate authority the whole of the grant or if the loss occurs more than three years from the commencement of the control period in respect of grant paid towards the acquisition of a vessel or if such loss occurs more than two years from the commencement of the control period in respect of grant paid towards improvements, to repay to the appropriate authority a proportion of the grant to be calculated by multiplying the total amount of the grant by the fraction which represents the relationship which the unexpired part of the control period bears to the full control period;"

(*b*) in paragraph 15(2)(*a*) for "five years" there is substituted "three years"; and

(*c*) in paragraph 15(2)(*b*) for "ten years" there is substituted "five years".

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 26th November 1981.

(L.S.)

Peter Walker,
Minister of Agriculture,
Fisheries and Food.

30th November 1981.

George Younger,
Secretary of State for Scotland.

27th November 1981.

Nicholas Edwards,
Secretary of State for Wales.

(**a**) S.I. 1967/372; the relevant amending instrument is S.I. 1975/360.
(**b**) S.I. 1976/304; the relevant amending instrument is S.I. 1980/1973.

applicant, any payment of or on account of a grant to that applicant may at any time be refused, and any such payment already made in relation to that application may be recovered by the Ministers.

14.—(1) Any person whose application for a grant under this scheme is approved by the Ministers may be required to give such undertakings as they may consider appropriate to the case, and in particular (but without prejudice to the generality of the foregoing) shall be required in any case—

(*a*) during the control period, and as may be appropriate to the case, either to employ the vessel in respect of or in connection with which the application was made (hereinafter in this paragraph referred to as "the vessel") or to take all reasonable steps to ensure its employment in the diligent and vigorous prosecution of the catching or processing of sea fish to the satisfaction of the Ministers;

(*b*) to insure the vessel and keep it insured against all marine risks and war risks during the control period in a sum approved by the Ministers, which shall be at least sufficient to ensure that in the event of total loss of the vessel there will be made available sufficient monies to meet the repayment of the grant or any part thereof which might be repayable at the date of the loss;

(*c*) to keep and make available for inspection by the Ministers at all reasonable times during the control period any books, records or other documents within the applicant's possession or control necessary to enable the Ministers to satisfy themselves that any conditions of the grant have been complied with;

(*d*) if there occurs within the control period the total loss of the vessel, to repay to the Ministers the whole of the grant, or if the loss occurs—

(i) more than 3 years from the commencement of the control period in repect of grant paid towards the acquisition of a vessel, or

(ii) more than 2 years from the commencement of the control period in respect of grant paid towards improvements,

to repay to the Ministers a proportion of the grant to be calculated by multiplying the total amount of the grant by the fraction which represents the relationship which the unexpired part of the control period bears to the full control period.

(2) Any person whose application for a grant under this scheme is approved by the Ministers may be required to repay to the Ministers the whole or part of the grant if there occurs within the control period a breach of any undertaking or condition subject to which the grant was made, or a disposition by way of mortgage, transfer of registration, charter for any purpose other than the employment of the vessel in the catching or processing of sea fish based on a port in the United Kingdom, sale or otherwise of the vessel or of any part thereof or of its engine or of any part thereof or of any equipment or apparatus used on or in connection therewith, or of any part of a vessel, engine, part of an engine or relevant equipment which is the subject of the improvement in respect of which the grant or any part of it was made:

Except that—

(*a*) repayment under this paragraph shall not be required in excess of the amount which would have been repayable at the same date had the provisions of paragraph 14(1) above been applicable to the case;

(*b*) this paragraph shall not have effect in relation to a disposition by way of mortgage created for the raising of money applied towards the cost of

3rd December 1981.

James Prior,
Secretary of State for
Northern Ireland.

Approved on
8th December 1981.

P. L. Brooke,
Antony Newton,
Two of the Lords Commissioners
of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Scheme.)

This Scheme enables grants to be made by the Minister of Agriculture, Fisheries and Food and the Secretaries of State respectively concerned with the sea fish industry in Scotland, Wales and Northern Ireland being grants towards expenditure incurred in the acquisition or improvement of vessels engaged or to be engaged in catching or processing sea fish (paragraph 3).

No grant may be paid under this Scheme unless the relevant application is approved by Ministers before 1st January 1985 and the conditions set out in paragraphs 9 and 10 of the Scheme have been complied with (paragraph 7). The rate of grant for all vessels, registered or intended to be registered in the United Kingdom, is 25 per cent. of approved expenditure (paragraph 8(1)).

The Scheme amends earlier Schemes by reducing the length of the control periods during which time the grant already made may be repayable where the conditions imposed by those Schemes have not been met (paragraph 15).

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