STATUTORY INSTRUMENTS

1987 No. 1135

SEA FISHERIES

SEA FISH INDUSTRY

The Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1987

Approved by both Houses of Parliament

Made - - - -	*1st July 1987*
Laid before Parliament	*3rd July 1987*
Coming into force	*4th July 1987*

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 sections 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 in accordance with the said section 15(1), hereby make the following Scheme:

Title and commencement

1. This Scheme may be cited as the Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1987 and shall come into force on 4th July 1987.

Interpretation

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

"the control period" means

(a) in the case of 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;

"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;

"length", in relation to a fishing vessel, means length between perpendiculars

(**a**) 1981 c.29.

measured in accordance with Article 2(2) of Council Regulation (EEC) No. 2930/86 defining characteristics for fishing vessels(a);

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

"West of Scotland" means the region of Dumfries and Galloway, the islands areas of the Western Isles, Orkney and Shetland, together with the districts of Caithness, Sutherland, Ross and Cromarty, Skye and Lochalsh, Lochaber, Argyll and Bute, Cunninghame, Kyle and Carrick.

(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) Any person engaged or proposing to be engaged in the sea fish industry by carrying on the business of owning and 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) subject to sub-paragraph (2) below, in the acquisition, installation, modification, renewal or replacement of any part of a vessel registered in the United Kingdom, 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"):

(2) No grant shall be payable under sub-paragraph (1)(b) above in respect of–

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

(b) 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.

(3) 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 grants 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) In considering whether or not to approve an application for the payment of a grant under this Scheme, the Ministers–

(a) OJ No. L274, 25.9.1986, p.1.

(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; and

(c) in the case of an improvement, shall not approve the application unless they are satisfied that the expenditure in relation to which the grant 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–

(i) the catching of sea fish,

(ii) the handling, processing or storage of sea fish,

(iii) the working conditions of the officers or crew,

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

(v) 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.

(2) 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 31st December 1991; and

(b) the conditions set out in paragraphs 10 and 11 of the Scheme have been complied with.

Rates of grant

8.—(1) Subject to paragraph 9 of this Scheme (maximum amount of grant), the rates of grant payable under this Scheme shall be as set out in sub-paragraphs (2) to (5) of this paragraph.

(2) The rate of grant in respect of a vessel under 24 metres in length shall be 30 per cent of the expenditure approved by the Ministers.

(3) Subject to sub-paragraph (4) of this paragraph, the rate of grant in respect of a vessel between 24 metres and 33 metres in length inclusive shall be 30 per cent of the expenditure approved by the Ministers.

(4) The rate of grant in respect of a vessel between 24 metres and 33 metres in length inclusive shall be 20 per cent of the expenditure approved by the Ministers where the applicant for grant under this Scheme has received financial assistance from the European Economic Community in respect of that vessel under Title II or III of Council Regulation (EEC) No. 4028/86 on Community measures to improve and adapt structures in the fisheries and aquaculture sector(**a**) at the rate specified in Annex II to that Regulation in respect of Northern Ireland or the West of Scotland.

(5) The rate of grant in respect of a vessel over 33 metres in length shall be 10 per cent of the expenditure approved by the Ministers.

Maximum amount of grant

9. The maximum amount of grant payable under this Scheme as respects any one vessel in any one ownership shall not exceed £250,000.

Conditions for payment of grant

10.—(1) In a case where the applicant intends to enter into a contract with another person for the carrying out of the whole or any part of the work to which his application for a grant relates, the Ministers shall, before the contract is made, approve–

(a) the plans and specifications of the vessel to which the application for grant relates;

(**a**) OJ No. L376, 31.12.1986, p.7.

(b) the tender for expenditure to be incurred; and

(c) the form of contract to be entered into between the applicant and the builder, supplier or other contractor.

(2) In a case where the applicant himself intends to undertake the whole or any part of the work to which his application for a grant relates the Ministers 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 materials to be supplied in the course thereof.

(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 1986 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.

(4) No grant shall be paid in respect of expenditure incurred in the acquisition of a vessel, or part of a vessel, constructed, or the improvement of a vessel carried out, elsewhere than in a member state.

11. 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.

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.

False statements

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, 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 as a civil debt by the Ministers.

Undertakings

14.—(1) Any person whose application for a grant under this Scheme is approved by the Ministers may be required to give such undertaking 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; and

(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.

Recovery of grant

15.—(1) The Ministers may recover as a civil debt from any person who receives grant under this Scheme a sum equivalent to the whole or any part of the grant paid to that person if there occurs within the control period–

(a) the total loss of the vessel;

(b) a breach of any undertaking or condition subject to which the grant was made;

(c) a mortgage of the vessel (other than a mortgage created for the raising of money applied towards the cost of construction or improvement of the vessel, being a mortgage approved by the Ministers before it was made), a transfer of registration of the vessel or a 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;

(d) 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.

(2) If the event which gives rise to the recovery of the grant occurs–

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

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

there shall be repaid to the Ministers a sum equivalent to 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 un-expired part of the control period bears to the full control period.

Revocation of earlier Schemes

16. The Schemes specified in the Schedule to this Scheme are hereby revoked.

In witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 24th June 1987.

L.S.

John MacGregor
Minister of Agriculture, Fisheries and Food

22nd June 1987

Sanderson of Bowden
Minister of State, Scottish Office

18th June 1987

Peter Walker
Secretary of State for Wales

24th June 1987

Tom King
Secretary of State for Northern Ireland

We approve,

Tony Durant
Mark Lennox-Boyd
Two of the Lords Commissioners of
Her Majesty's Treasury

1st July 1987

Paragraph 16

SCHEDULE

REVOCATIONS

Scheme Revoked	*References*
The White Fish Industry (Grants for Fishing Vessels and Engines) Scheme 1962	S.I. 1962/1586
The Herring Industry (Grants for Fishing Vessels and Engines) Scheme 1962	S.I. 1962/1616
The White Fish Industry (Grants for Fishing Vessels and Engines) (Amendment) Scheme 1964	S.I. 1964/321
The White Fish Industry (Grants for Improvement of Fishing Vessels) Scheme 1964	S.I. 1964/1173
The Fishing Vessels (Aquisition and Improvement) (Grants) Scheme 1967	S.I. 1967/372
The Fishing Vessels (Acquisition and Improvement) (Grants) (Amendment) Scheme 1967	S.I. 1967/1131
The Fishing Vessels (Acquisition and Improvement) (Grants) (Amendment) Scheme 1971	S.I. 1971/797
The Fishing Vessels (Acquisition and Improvement) (Grants) (Amendment) Scheme 1972	S.I. 1973/116
The Fishing Vessels (Acquisition and Improvement) (Grants) (Amendment) Scheme 1973	S.I. 1974/194
The Fishing Vessels (Acquisition and Improvement) (Grants) (Amendment) Scheme 1975	S.I. 1975/360
The Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1976	S.I. 1976/304
The Fishing Vessels (Acquisition and Improvement) (Grants) (Variation) Scheme 1976	S.I. 1976/2136
The Fishing Vessels (Acquisition and Improvement) (Grants) (Variation) Scheme 1977	S.I. 1977/2136
The Fishing Vessels (Acquisition and Improvement) (Grants) (Variation) Scheme 1978	S.I. 1978/1820
The Fishing Vessels (Acquisition and Improvement) (Grants) (Variation) Scheme 1979	S.I. 1979/1692
The Fishing Vessels (Acquisition and Improvement) (Grants) (Variation) Scheme 1980	S.I. 1980/1973

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 31st December 1991 and the conditions set out in paragraphs 9 and 10 of the Scheme have been complied with (paragraph 7). The rates of grant for all vessels, registered or intended to be registered in the United Kingdom, are set out in paragraph 8 of the Scheme.

The Scheme revokes the earlier Schemes listed in the Schedule which have ceased to have effect (paragraph 16).