

Fishing Without a Safety Net

The financial resilience
of small-scale coastal fishers,
their families and communities.

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A research report by Seafarers UK & Liverpool John Moores University, Research Unit for Financial Inclusion.

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This research and coronavirus

This study into the financial resilience of fishers in the small-scale coastal fleet was in the final processes of publication when the world was shaken to the core by the outbreak of the COVID-19 pandemic.

Within a few weeks, the social and economic landscape was transformed as the population went into quarantine. Incomes and livelihoods were threatened, businesses struggled to survive and many closed, employees were furloughed or lost their jobs and the many self-employed lost work and contracts as society hunkered down.

The impact of COVID-19 on the fishing industry was immediate and devastating. Overnight, domestic sales dried up as pubs, restaurants and hotels closed. Even more impactful was the end of the international export of fish as borders closed. As 80% of UK fish landings are exported to the European Union, Asia and the United States, the closure of export markets left fishers facing financial ruin. To make matters worse, the financial support programmes that were immediately actioned by Government for employees and the self-employed, mostly did not apply to share fishers and partners and directors of small fishing businesses. This left many fishers without any form of safety net at all.

As this report illustrates, fishers in the small-scale coastal fleet were far from prepared for the overwhelming economic shock of COVID-19. The report analyses the financial situation facing small-scale coastal fishers immediately prior to the outbreak of COVID-19. Its findings will resonate within a fishing industry that has struggled to recover from COVID-19 and is preparing for the uncertainties of Brexit.

Government interventions to support the UK fishing industry through the COVID-19 crisis have been welcomed. However, more remains to be done in the aftermath of this pandemic if small-scale coastal fishers, their families and their communities are to be assured of the financial health and resilience this report is designed to support.



Ministerial Foreword

Small-scale fishing is a cornerstone of local coastal communities around our shores. Its fortunes can have significant impacts on the identity and economy of these local areas that have strong historical ties reaching back through generations.

This diverse fleet faces many challenges. Because of the size of vessels, many inshore fishermen are restricted in the range they can fish and are susceptible to the vagaries of the weather. They have traditionally "fished what swam past them". Inshore fishermen can and do make reasonable profits, but as we have seen from COVID-19, they are amongst the most vulnerable part of the sector as they do not have the reserves or flexibilities that are available to others.

Fisheries and fisheries funding are devolved issues. In March and April Defra and the Devolved Administrations announced a series of COVID-19 support packages for the UK seafood sector. And looking to the future, the Government will ensure funding is made available across the UK to enable the sector to secure sustainable growth, recover from COVID-19, and take advantage of the opportunities associated with leaving the EU.

I welcome this report by Seafarers UK, which makes clear that challenges remain. The report brings new insights into the financial culture and needs of share fishers in the UK. This includes the financial realities and challenges of share fishing as well as the social dimension, such as further pressures on mental health from alcohol and drug use. The types of initiatives fishermen can access to deal with financial insecurity and their respective advantages, disadvantages and barriers are also brought into sharp focus.

I would like to thank Seafarers UK for their efforts in helping our fishing industry, particularly during the current pandemic. I hope that this report will contribute to improving fishermen's financial health and resilience, and their wellbeing, as together we tackle COVID-19 and embrace the opportunities ahead as an independent Coastal State.



Victoria Prentis M.P.
Parliamentary Under Secretary of State
Department for Environment, Food and Rural Affairs

CEO's Foreword

This report illustrates that fishers in the small-scale coastal fleet were far from prepared for the overwhelming economic shock of COVID-19. Our awareness of the pre-existing financial vulnerability of fishers and their families was the very reason that, in 2019, Seafarers UK commissioned Liverpool John Moores University to undertake this research study. Even before COVID-19 it was apparent that many fishers were finding it difficult to manage their incomes effectively throughout the year and lacked long-term financial plans that could provide a safety net to help them withstand periods of ill health and business disruption.

Seafarers UK supported fishers through COVID-19 with £500,000 of grant funding. This included an award of £200,000 to enable Fishermen's Mission to provide hardship grants to fishers. It also included a Rapid Response Grant Programme in partnership with the Fishmongers' Company Charitable Trust which awarded a total of £492,000 in grant funding. This swift release of financial support at the height of the crisis enabled 131 projects to support the UK's fishing and seafood industry through the impact of closed markets and will help to increase its resilience to future disruptions. Seafarers UK also funded innovative initiatives such as Call4Fish, which enabled more fishers to keep fishing and deliver fresh fish to a new-found locked-down home consumer market.

I am proud that Seafarers UK's grant funding has helped the maritime welfare charities featured in this report to support fishers before, during and beyond the initial impact of COVID-19. I am also impressed by the individual efforts of each of the charities to respond and collaborate together to support fishers through difficult times.

Thank you SAIL (Seafarers' Advice & Information Line), Fishermen's Mission, Shipwrecked Mariners' Society, Seafarers' Hospital Society and the Fishing Animateurs for all that you do to support our fishers and their families.

However, it is clear that many fishers could benefit from additional support to enhance their financial resilience. Post COVID-19, the recommendations within this report become even more urgent. Seafarers UK is now actively exploring how to take forward recommendations made within this report – access to a credit union, improving financial capability and the development of a co-operative owned by fishers which can facilitate group purchasing of financial products as well as potentially provide access to accountancy, taxation and HR support.

We call on others interested in the economic well-being of the UK's fishing communities to collaborate with us to take forward the recommendations within this report and help to provide a much-needed safety net for fishers at times of financial difficulty.



Catherine Spencer
Chief Executive, Seafarers UK



Executive Summary

This study was commissioned by Seafarers UK in 2019 and took place prior to the coronavirus pandemic. The intent was to explore the real financial difficulties inherent in earning a living from fishing. It aimed to identify and develop an evidence base of interventions that could support the financial health and resilience of fishers and their families.

The research is based on the real financial problems experienced by 431 fishers and their families as identified in the anonymised client and beneficiary data records of three maritime welfare charities: - SAIL (Seafarers' Advice & Information Line), the Shipwrecked Mariners' Society, and Seafarers' Hospital Society. This analysis was augmented by interviews with fishers and representatives from maritime welfare charities and the fishing industry.

Life as a share fisher – financial realities and challenges

All the fishers interviewed within this study were share fishers. Typically, they are not employed under contract and receive part or all of their income by sharing the profits earned from the catch made by the fishing vessel. In all interviews with fishers, the share fishing model was highly valued. In fact, it was seen as fundamental to the viability and success of the small-scale coastal fleet.

However, the disadvantages inherent within the share model were fully appreciated. Fishers spoke about the insecurity and irregularity of income, as well as the lack of income at certain times of the year. There were also challenges involved in managing their financial affairs which include the requirement to complete a Self Assessment Tax Form and pay Income Tax and National Insurance on earnings from the previous year. There is also a lack of holiday pay and of access to financial products providing protection for sickness, critical injury and life insurance. Fishers also found it difficult to establish and contribute to a personal pension plan, thereby missing out on the tax efficiency and tax relief attached to this type of long-term savings.

Fishing opportunities and markets

Fishers identified quota and license restrictions, the loss of fish stocks through overfishing, the growing incidence of marine protected areas and prohibited species, the need to avoid the offshore cables of windfarms, and even climate change, as reducing the opportunity to fish for traditional species. In Whitehaven another problem strongly articulated was the difficulty in accessing markets that paid sufficiently well to maintain a profitable business.

Making ends meet on a low income

It was evident from the interviews and data analysis that many small-scale coastal fishers, often with older and smaller boats, were not earning enough to make ends meet. Fishers reported struggling on an intermittent, uncertain and low income and being dependent on their partner's earnings or having to take a second job.

Small-scale coastal fishing industry under strain

Even though businesses in any part of the fishing industry can fail for multiple reasons, significant financial strain was most evident among the 4,137 coastal, under-ten-metre-long and mostly day boats. Rising costs (particularly fuel), increased regulation, breakdowns and losses of gear at sea, restrictions on access to fishing opportunities, difficulties in finding skilled crew members, disappearing fishing stocks and an unfavourable marketplace were seemingly conspiring to undermine the viability and sustainability of many businesses.



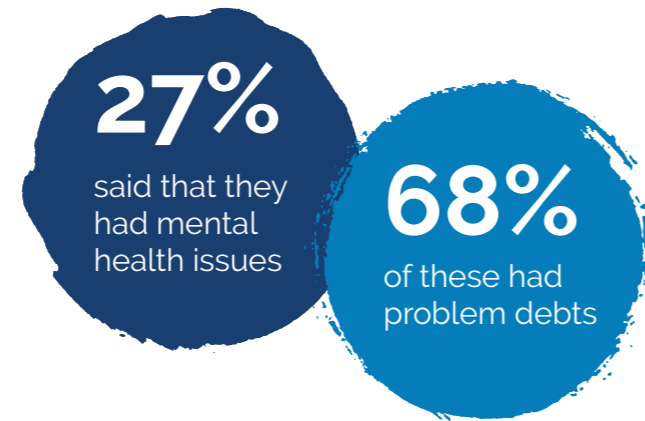
Over-indebtedness and impact on mental health

The insecure income of many fishers leads to borrowing to manage the ups and downs of their income fluctuations. There was evidence from the data sets and interviews that there was significant borrowing on overdrafts and credit cards, and from high-cost lenders, simply to make ends meet.

Over-indebtedness was the main reason that most fishers gave for seeking advice or financial support. Of the 140 active fishers in the datasets, 88 (63%) sought help about debt problems. Of the 61 fishers currently working at the time of approaching the charities, 43 (70%) had debt problems, and of these 36 (84%) had difficulty repaying priority debts. This is a high concentration of priority debts. Debts for rent, Council Tax, Income Tax and to utility companies are all priority debts. It is a term used for debts relating to rent/mortgage, Council Tax and Income Tax etc, which are identified as a priority for repayment above all other debts. This is because non-payment of these debts can result in serious action being taken against the debtor, including losing their home or imprisonment. It was indicative of the extent of financial vulnerability of the fishers approaching SAIL that the majority of their individual debt problems related to priority debts.



Out of the analysis of the data sets, and supported in conversation with fishers, emerged a link between financial stress and over-indebtedness and the mental health of fishers. Over a quarter of all fishers said that they suffered from poor mental health. Out of all 341 fishers (active, ex-fishers and retired) in the data sets, 92 (27%) said that they had mental health issues, and 63 (68%) of these had problem debts.



Access to affordable credit

Owners of small boats often need to access credit to replace pots and nets lost at sea, to purchase essential equipment and gear and to repair and upgrade their boats. Many reported that high street banks and other financial institutions were not interested in the small-boat owner with a fluctuating income and without collateral. A lack of access to affordable credit compounded financial detriment among fishers.

One positive intervention explored in the study was the creation of an affordable credit facility for fishers in Cornwall. Seafarers UK had provided financial support to create a loan guarantee fund, to enable Kernow Credit Union (KCU) to establish a bespoke credit product for fishers wishing to apply to the European Maritime and Fisheries Fund (EMFF) to modernise their vessels. One borrower reported that,

“*The loan was absolutely invaluable, and without it, I would have been out of business, with a boat that was not seaworthy or fit for purpose.*”

Financial capability and money management

Living on a share fisher's intermittent, irregular and uncertain income, having to manage the feast and the famine, as well as keeping accurate records to calculate and pay Income Tax and National Insurance and make long-term pension plans is not easy. In fact, it demands a greater level of financial literacy, capability and forward planning than is required of most employees with a regular, tax-paid-at-source wage which also includes automatic enrolment for pensions as well as entitlement to sick and holiday pay. These are financial capability skills that many fishers, and indeed much of the UK population, lack. For some, this is further compounded by a reduced level of basic skills in literacy and numeracy.

Fishers in interviews repeatedly spoke about the financial culture of being a share fisher, of living from day to day, sometimes earning very large sums and being a big spender, sometimes struggling with next to nothing and seeking the support of charities and food banks. If fishers are to be supported to become more financially capable and resilient, it will be important to consider how behaviours, attitudes and motivations can be transformed, in addition to developing more effective links to financial institutions and appropriate financial products.

The need for advice

Most fishers who approached SAIL were overwhelmingly seeking advice about financial problems, whereas local Citizens Advice services tend to handle a higher proportion of consumer issues. One hundred active fishers received money and debt advice. 66% of these received advice on welfare benefits, and 57% for problems with over-indebtedness.



Welfare benefits advice related to Universal Credit, Jobseeker's Allowance, Employment Support Allowance and Personal Independence Payment. Problems with Universal Credit featured large in SAIL's caseload, as fishers often found it difficult to make a claim. The minimum 5 week waiting period before payment of Universal Credit means fishers are driven back to the sea by the economic necessity of earning an income once again.

Another welfare benefit that is difficult for share fishers to claim is the new style Jobseeker's Allowance. This is because claimants are required to be both available for work and taking reasonable steps to look for work. Share fishers who are unable to earn an income from fishing because of inclement weather or the necessity of boat or equipment repairs become ineligible. It is recommended that fisher's eligibility for the new style Jobseeker's Allowance and Universal Credit are reviewed to ensure that the welfare state provides an effective safety net for fishers.

The high level of accidents and physical illness caused by fishing was exemplified in the number of fishers, working or not, making claims for Employment Support Allowance and Personal Independence Payment.

At times when SAIL could not assist with an application for a welfare benefit, it would refer the client to one of the maritime welfare grant-making charities for a hardship grant to support the fisher through the difficult period.

The way forward – supporting financial health and resilience

This study has highlighted the specific needs of fishers and, even before the conclusion of the project, the participating maritime welfare charities had begun to focus more on fishers as a distinct group with differing issues and needs arising from the inherent nature of their status as share fishers. Seafarers UK, for example, identified the need to proactively fund money and debt advice outreach for fishers and funded SAIL to appoint a Fishing Specialist Caseworker to focus solely on delivering a money and debt advice service to fishers and raise awareness of the availability of this service amongst fishers.

However, the way forward, in supporting the financial health and resilience of fishers, goes beyond the provision of money and debt advice services and the equally important grant support paid directly to fishers and their families. Charities on their own will not be able to solve the problem of the financial vulnerability of fishers, nor should they be expected to.

Firstly and most importantly, responsibility resides with fishers themselves – to ensure they are treating their crew fairly and to make long-term financial plans to support their own financial resilience.

Secondly, Government has a responsibility to ensure that there is an effective welfare state to support people who are not able to work and earn their own income.

Finally, charities are there to support people when all else has failed. Unfortunately, this study finds that too often charities are the only option available to support small-scale coastal fishers through difficult times.

It has not always been this way. According to interviewed fishers, there was a time up to the 1990s when fishers who had paid the “fisherman’s stamp” in respect of National Insurance contributions were able to go down to the equivalent of the DWP office and sign on for a daily payment to help them get by. This support for fishers has been gradually eroded with the progressive reforms of the welfare benefit system which no longer provides an effective safety net for share fishers.

The reality and dynamics of life as a share fisher present a wide range of structural challenges that need to be addressed in order to improve their financial stability. The study explores and argues that the way forward to support the financial health and resilience of the small-scale coastal fishing community involves support for the following recommendations.



Focusing on these measures could be the way forward to support the financial health and resilience of the small-scale coastal fishing community.

Creating The Safety Net

Ten recommendations



This research puts forward ten recommendations aimed at creating a comprehensive safety net capable of supporting the financial resilience of fishers and their families. Four of the recommendations relate to changes that can be taken forward by fishers themselves, albeit with the support of charities and the wider fishing industry. The remaining six are policy recommendations which will require Government support.



What can charities do to help fishers become more financially resilient?

These are recommendations for interventions that charities can pro-actively support to enable fishers to become financially resilient and prevent hardship.

One

Create a co-operative 'share fisher plus' approach: Seafarers UK to take on the role of sponsor and lead a feasibility study into the potential for developing a UK fishers co-operative capable of offering a range of HR and accountancy services, which replicate the benefits available to PAYE employees while enabling fishers to retain autonomy and independence. This study notes that such a co-operative also has potential for group purchasing a range of financial products such as life and critical injury insurance, pension annuities and income protection insurance used by many self-employed people. There is also potential for the co-operative to develop services similar to an agricultural co-operative such as group purchasing equipment and shared marketing and selling, thereby enabling small-scale coastal fishers to benefit from collective scale and become price makers instead of price takers. The aim of the feasibility study should be to begin a debate on the potential opportunities and benefits that could be offered by a fishers co-operative for the small-scale, coastal fleet. Such an approach would explore a delivery mechanism and assess the appetite for this initiative which could support the evolution of the traditional share fishing model to become a 'share fisher plus' approach which is based on co-operative principles, as outlined in this study.

Two

Financial education: To develop informal financial education opportunities by training frontline workers within fishing ports to become financial buddies capable of sharing knowledge on money management.

Three

A national credit union for fishers with access to affordable credit: To expand the successful credit union project in Cornwall where a loan guarantee funded by Seafarers UK underwrote loans to fishers to provide match-funding for EMFF/MMO grants. This will involve identifying a suitable credit union with modern delivery mechanisms, significant organisational capacity, and national reach, which would be prepared to agree to modify its membership criteria to include people working in the fishing industry.

Four

Increase awareness of charitable welfare support: Increased awareness and uptake of the range of charitable welfare services that exist for fishers and their families as an ultimate safety net when all else fails. This is particularly true in relation to money and debt advice and grants to alleviate individual hardship.

What can Government do to help fishers become more financially resilient?

The following are ambitious and challenging policy recommendations for Government. They recognise Government's role in supporting a thriving UK fishing industry and its responsibility to establish a safety net to support those who become vulnerable and unable to earn an income.

Five

A national action plan: For Government to develop and implement a realistic action plan to address and support the social, economic and environmental issues faced by the small-scale coastal fishing fleet and the coastal communities from which it operates. This is seen as critical to the longer-term financial health and resilience of fishers and their families as they recover from COVID-19 and head towards, and beyond, Brexit.

Six

Support for new entrants: For Government and industry representatives to implement, action and fund a plan to support new entrants and apprenticeships into the sector. Such a plan will need to ensure that fishing careers have both safety and financial protections that are attractive to a new workforce.

Seven

A fair price for fish: To encourage competition for market place auctions and enable fishers to receive a fair price for their catch, it is recommended that support is given to new initiatives involving marketing and selling fresh fish direct to consumers at home. This could be complemented by actively encouraging supermarkets to offer consumers a greater variety of fish caught by UK fishers.

Eight

HMRC to develop a replacement mechanism to support fishers to budget and pay Income Tax and National Insurance payments: This will be a replacement for the previous Share Fishermen Budgeting Scheme that was terminated on the 31st January 2020. It will be important to make greater outreach efforts and utilise innovative communication techniques (including Twitter and the Fathom Podcast) and awareness-raising campaigns to promote the scheme to fishers.

Nine

Pensions: Government to support the automatic enrolment of employed crew and wider take-up of pension planning within the fishing industry.

Ten

Welfare benefits: For Government to review the welfare benefits system to ensure it provides a safety net capable of responding effectively to the specific situation of share fishers and other workers operating in the precarious gig economy. This includes reviewing the 5 week waiting period prior to Universal Credit payments.

Increasing awareness of SAIL



During the period October to December 2019, SAIL (Seafarers' Advice & Information Line) advised 530 unique (new and existing) clients, including 317 new clients. This was the highest ever number of both unique and new clients seen in a quarter prior to COVID-19. The number includes all seafarers, but a significant increase in the number of fishers seeking help was attributed to the efforts put in place to raise awareness of this bespoke Citizens Advice service amongst fishers.

A total of 1,364 new issues were dealt with during the quarter, with 6,072 activities undertaken, both higher than any previous quarter prior to COVID-19. In this quarter SAIL raised £216,202 for clients. This is £141,643 of income gained (mainly due to entitlement to state benefits), £24,612 of charitable support; and £47,707 of debt written off and repayments rescheduled; and £2,240 of other income.

Not all of the advice that SAIL gives has a financial outcome. For example SAIL may give essential advice to a client on employment issues, or housing advice which may prevent a client from being evicted.

The increased awareness and use of this service at the end of 2019 demonstrates the need that exists. The numbers of fishers seeking support from SAIL increased exponentially during the storms at the beginning of 2020 and as COVID-19 made an impact.

The financial health of fishers - why the concern?

In 2018, Seafarers UK published its report *"Fishing for a Future"* which explored and analysed the need, challenges and opportunities in the UK fishing industry. This wide-ranging study covered multiple aspects of the industry and helped raise awareness of the safety and welfare issues affecting many of the UK's small-scale coastal fishers. It provided evidence which significantly influenced Seafarers UK's strategy for providing financial support to the UK fishing fleet. It also raised awareness of the social and welfare needs of the UK's fishing communities amongst Government and other policy makers.

Even though the 2018 report did not focus on business or personal finance, it did identify the financial challenges faced by fishers in certain sectors of the fishing industry. It revealed that some struggled to obtain access to capital to develop their business and many others were finding it difficult just to make ends meet while living on an irregular fishing income.

The report noted that financial insecurity was particularly prevalent amongst those operating as share fishers¹ or on more casual work agreements for fishing trips. It arose from multiple, often inter-connected factors including a lack of access to business investment and finance, an inability to engage in long-term financial planning, factors impacting fishing opportunities and access to markets, and a lack of appropriate advice and support.

Following on from the 2018 report, issues in relation to the personal and business finance of fishers and their families continued to gain attention. It was evident too that it was share fishers who often sought advice and support with financial problems, including problem debt. This was a reality recognised by SAIL (Seafarers' Advice & Information Line) who responded to those who called for help with their financial problems.

1. A share fisher is not employed under a contract of service and receives all or part of his pay by sharing the profits or gross earnings of the fishing boat. National Insurance Manual, HM Revenue & Customs, (April 2016).



Maritime welfare charities such as the Shipwrecked Mariners' Society and the Seafarers' Hospital Society were increasingly supporting share fishers and their families to meet the costs of life's essentials. Meanwhile the Fishermen's Mission supported local share fishers by guiding them to a range of maritime welfare support available and by providing emergency financial help at times of crisis, such as accidents or death at sea.

It was becoming apparent that the financial health and resilience of many share fishers and their families in certain sections of the industry, often among the small-scale coastal fleet, was a serious concern and merited further exploration and analysis. This was fundamental given the broader impact of financial insecurity on health and well-being, both physical and mental, and on social and personal relationships.

In response, Seafarers UK commissioned this study to follow on from its 2018 report and to identify and analyse the factors contributing to the financial insecurity of fishers and their families. Unlike the previous study, this new study started by examining the real financial problems of fishers who had obtained support from charities such as SAIL, Shipwrecked Mariners' Society and the Seafarers' Hospital Society.

Its aim is to understand the type of problems experienced, their underlying reasons and what could be done to support fishers, particularly share fishers, to become more financially resilient. It concludes by recommending potential solutions to enhance the financial resilience of fishers, their families and their communities.

The methodology used during the study is explained in Appendix I.

For Seafarers UK, the study is essentially practical. If maritime welfare charities are aware of the personal and business finance issues faced by fishers and their families, they will be better placed to respond and develop potential interventions to support their financial health, well-being and resilience. In addition, those who support fishers will also be better informed and equipped to campaign for initiatives that support and strengthen the financial health and resilience of fishers.

If maritime welfare charities are aware of the personal and business finance issues faced by fishers and their families, they will be better placed to respond and develop potential interventions to support their financial health, well-being and resilience.

The small-scale coastal fishing industry

According to Seafish (2019b), the UK fishing industry had a turnover of nearly £1 billion in 2018, with an operating profit of £268 million. At first sight, this gives the impression that the industry is vibrant and profitable and may lead to the conclusion that it is able to provide financial rewards for all those working within it. But this can be deceptive, for the UK fishing industry is not just one industry, but a collection of industries. From large-scale industrial fishing in super trawlers, such as the Hull-based Kirkella, 81 metres long with an on-board fish processing factory, gym and cinema, to the single commercial fisher who fishes alone in his 3.5 metre length boat within six miles of the UK coastline.

In fact, Seafish (2019b) has divided the fishing industry into 32 discreet segments based on the characteristics of the vessels, the level of activity, the gear used, the species targeted, and the areas fished. These segments vary significantly in relation to fish landed, income generated and profitability. For some, fishing is incredibly profitable, but for others much less so, particularly in those segments characterised as small-scale coastal fishing.

Within this research study, fisher interviewees and beneficiaries of the charities recorded in the data sets were involved in, for the most part, the small-scale coastal fishing industry. This was confirmed by the interviewed fishers themselves and, for the charity beneficiaries, by the charities even though they noted that this information was implicit from the data, rather than the result of an explicit question. Those featured in this study were skippers and crew members mostly operating on small-boats, often referred to as "under 10s", being ten metres in length and under, many family-owned with their owners being directly involved in fishing activity. These small vessels tend to stay close to the shore, as their size and design means they are not robust enough to withstand the turbulence further out to sea. They are mostly "day boats", rarely

if ever fishing out at sea longer than a single day. Most do not have overnight facilities.

They are described by some as low-impact fishers, on the basis that around 80% of them use passive² rather than mobile gears, which organisations such as LIFE (2017)³ argue have a much lower environmental impact in comparison with that of mobile gears.

They are overwhelmingly single or share fishers, often sharing the proceeds of the catch in a way unchanged since medieval times. Historically embedded in coastal communities, these fishers, with few exceptions all men, previously represented a traditional way of life passed on within families. This is slowly changing in response to fishing-related pressures, community dislocation as coastal properties are bought up by incomers, and an unwillingness by many young people to follow in their father's footsteps (cf. House of Lords, 2019, pg. 147).

In many ways, it was not surprising that the fishing interviewees and charity beneficiaries were involved mostly in small-scale coastal fishing. It has been long recognised in the literature (NEF 2015, 2016; Carpenter 2019) that fishers within this sector are the ones who struggle the most with personal and business finance. Given the significant role and inter-dependence of fishing and its associated industries in coastal communities, it is a struggle that can contribute to the social and economic decline of those communities. The inter-relationship between the financial hardship faced by fishers and the economic viability of coastal communities was explored in depth in the Newcastle University report into "*The concept of fisheries-dependent communities*" (Brookfield et al., 2005) and in the "*Fishing for a Future*" report (Seafarers UK, 2018).

2. Passive gear includes drift and fixed nets, hook and lines, or pots (creels) and traps.

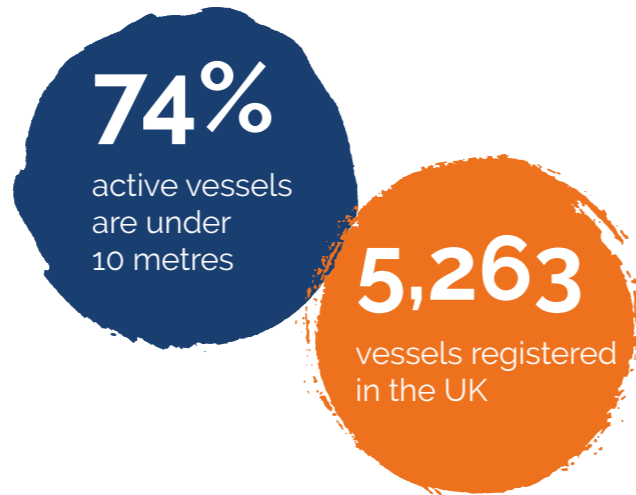
3. <https://lifeplatform.eu/>

In the latter's analysis of 41 fishing ports in the UK, it found 61% of them experienced high levels of deprivation. The inter-dependence of the presence of fishers and the local economy was also demonstrated in the University of Brighton's "Geography of Inshore Fishing and Sustainability (GIFS)" report (2014) where it identified that tourists in Hastings spent over 8.5 million Euros per annum on services related to the town's fishing identity. A range of multipliers exist for the number of jobs created ashore for every one job at sea, whether in transport, engineering, training, tourism, ice, boat repairers, merchants, gear manufacturers and so on. This was acknowledged in the Defra's 2007 vision document: "Fisheries 2027 – a long-term vision for sustainable fisheries".

“ Access to fisheries continues to be available to small-scale fishing vessels, even if in some cases that is not the most economically efficient way of harvesting the resource. This is because the wider economic, social and environmental benefits of small-scale fishing can outweigh the comparative inefficiency in harvesting the resource and make a significant economic and social contribution to the lives of individuals and coastal communities, for example, by providing jobs, attracting tourists, providing high-quality fresh fish and maintaining the character and cultural identity of small ports throughout England. ”

Defra 2007

It is unsurprising that most fishers captured within this study would be from the small-scale coastal fishing sector, given their relatively large presence within the UK fishing fleet. Seafish (2019b) notes that 74% of all active vessels are under 10 metres. Data published by the Marine Management Organisation (MMO, January 2020) reveals that there are 5,263 vessels registered in the UK, of which 4,137 (79%) are under 10 metres with an additional 286 under 12 metres, slightly larger boats but still forming part of the small-scale coastal fleet. Combined this calculates to 84% of the UK fleet being small-scale vessels under 12 metres. However, most vessels are even smaller, 2,772 vessels are recorded by the MMO as being 8 metres which equates to 67% of the under 10 metre fleet and 53% of the entire British fishing fleet (MMO, January 2020). The European Maritime and Fisheries Fund (EMFF) regards all vessels under 12 metres as small-scale and eligible for its preferential support (EMFF 2017).



An industry under strain

Businesses, in any industry, can struggle or fail for multiple organisational and management reasons. However, according to both fishers and industry representatives interviewed during this study, where significant strain seemed to be most evident in the UK fishing fleet was among the fishers of the small-scale coastal fleet. Despite some evident successes, anecdotes shared by fishers interviewed in Newlyn and Whitehaven, spoke of people they knew operating within this sector, either as skippers or crew, who were facing financial challenges and sometimes significant personal and family hardship.

Rising costs (particularly fuel costs), increased regulation, breakdowns and losses of gear at sea, restrictions on access to fishing opportunities, difficulties in finding skilled crew members, disappearing fishing stocks and an unfavourable marketplace were all factors impacting the viability and sustainability of many businesses. (cf. FARNET 2017, Corfe 2017, NEF 2016). On top of this fishers have to cope with the vagaries of the weather, which can result in the loss of a significant number of fishing days in the year. Sainsbury et al (2018) have drawn attention globally to the increasing risk to fishers and fisheries from climate change (cf. Fernandes et al, 2017).

The longer-term ecological, social and economic impacts of storms on fisheries, they argue, need greater analysis and research. From interviews with fishers as part of this study, storminess is certainly one important factor affecting the financial stability of fishing. In mid-January 2020, storm Brendan wreaked havoc in the UK, followed less than a month later by storm Ciara, one of the strongest storms in recent years. Both had a significant impact on the ability of fishers to go out to sea and earn an income. Their situation was compounded further by the impact of coronavirus from March 2020.

All fishers interviewed during this study spoke of the challenges they faced. Some were surviving and still making a living with a lot of hard work, many hours at sea, targeting different species and a committed entrepreneurial spirit. However, other fishers in this sector that were interviewed said that fishing could no longer provide them with a livelihood and they were either surviving with a second job, or their fishing activity was subsidised by their partner's income or they were looking to quit the industry. Significantly, most fishers interviewed in Newlyn and Whitehaven who had a son said that they did not want their son to follow them into fishing.




The negativity of the narrative concerning the decline of the small-scale coastal fleet (with fewer vessels, ageing fishers, lack of younger entrants and loss of access to fishing grounds) was challenged by some stakeholder interviewees. The alternative argument acknowledged that fishing was more prosperous during the 1970s as a consequence of being subject to very few restrictions and regulations, which led to overfishing.

They went on to acknowledge that advances in vessel design and capacity, new technology, and the increased regulatory control of fishing stocks have resulted in the inevitable downsizing of the fleet in comparison with the past. These interviewees accepted that in such a modern technology-driven environment many small-scale coastal fishing businesses are just not sustainable in the longer-term and are likely to disappear.

The decline of the number of fishers in small-scale coastal fishing was not hard to miss. As some older fisher interviewees recounted, Whitehaven was no longer the vibrant port it used to be in the past. Now there are less than 16 active fishing boats in the harbour compared with at least double that number ten years ago, according to the Whitehaven Fishermen's Co-operative.

The few modern and profitable, full-time working vessels still in Whitehaven had moved entirely to catch non-quota whelks and crabs and the remainder were now run by part-time or semi-retired fishers. There seemed to be only one full-time fisher left who made a living entirely from catching traditional fish species and, as is related in the next section, he found this a challenge.

The other port where the research team interviewed fishers, Newlyn, is a much more active and busy port. Indeed, there seem to be several smaller ports in the South West that seem to be doing relatively well in comparison with many other parts of the UK. But even in Cornwall, a county whose coastal communities were mostly established through commercial fishing and its related trades (e.g. boat building and maintenance, production and sale of fishing gear and the marketing of fish and seafood), small-scale coastal fishing as way of life for many was under threat.



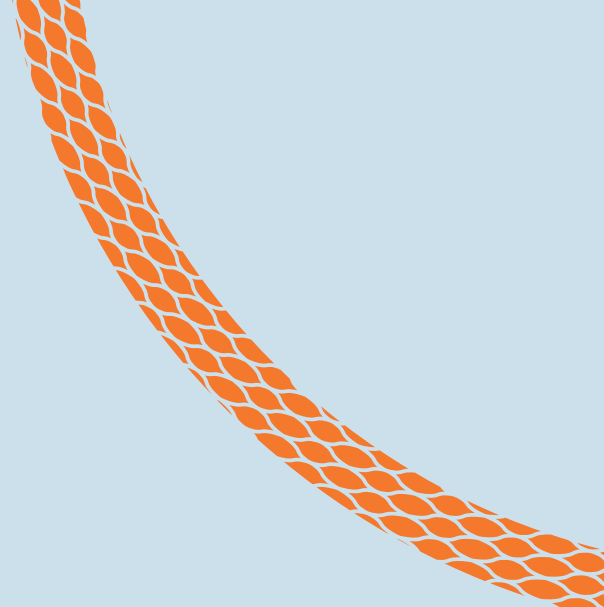
The decline of the number of fishers in small-scale coastal fishing was not hard to miss. As some older fisher interviewees recounted, Whitehaven was no longer the vibrant port it used to be in the past.

Life as a share fisher – financial realities and challenges

All the fishers interviewed within this study, both skippers and crew-members, were share fishers. These, as defined by HMRC (2017), are fishers who are not employed under a contract of service, who are either skippers or crew-members of a vessel worked by more than one individual and who receive part or all of their pay by sharing the profits or gross earnings of the fishing vessel. HMRC regulations treat share fishers as a unique status of self-employed persons and all must register as such, even if they regularly work for one skipper on one particular vessel.

Share fishing is a historic and traditional business model of the fishing industry since medieval times. It was designed to unite the crew and the skipper as co-adventurers in a precarious endeavour on the high seas, in which each person shares the risks involved and then equally reaps the rewards. The owner and skipper take proportionately increased shares, but after all the costs of the vessel and landing the fish have been met, the principle of share fishing is that the remaining income from the sale of the catch arising from a fishing trip is divided equally among the crew-members.

Fishers with a contract of employment are not share fishers but employees. Fishers can be employees; particularly on larger vessels where there are examples of fishers being paid a salary. However, currently these employees tend to be mainly foreign crew working for larger companies who have obtained employment through overseas crewing agencies. Most UK fishers on most vessels, in whichever industry segment defined by Seafish, are share fishers.



“
Statistics confirm that 88% of vessel owners and 87% of crew members across the entire sector were share fishers.
”
Seafish, 2019a

In all interviews with fishers, the traditional share fishing model was highly valued. In fact, it was seen as fundamental to the viability and success of the small-scale coastal fleet. Indeed some fishers argued strongly that any attempt to change the model would only come from outside the fishing community, and fishers would strongly oppose such an attempt. Arguably, this strength of feeling may arise from a lack of an alternative approach which guarantees that the autonomy and independence of share fishers is maintained. At present the only alternative to the share fishing model is that of an employee.

According to the fishers, share fishing was valued by vessel owners, skippers and crew-members for similar but different reasons. For vessel owners, particularly within the small-scale coastal fleet, the unpredictability of the weather, uncertainties about the amount of the catch and variabilities in the market price of fish meant that it was difficult to predict income from month to month. Thus paying the crew a regular salary was seen as unsustainable, for indeed there could even be zero income from any one particular trip or in any particular period because of the weather or vessel breakdown.

Modernising share fishing

Traditionally, the share fishing model was favoured by owners as it limited their liability for the workforce. As self-employed individuals share fishers were, and still are, responsible for their own income and expense records, self-assessment and payment of tax and National Insurance, making plans for any pension or health or accident insurance as well as providing their own personal protective equipment. In the past liability was even more limited. However, increasingly with new legislation, this is changing, and vessel owners now have greater liability for share fishers amongst their crew.

In 2019 the UK formally ratified the International Labour Organization Work in Fishing Convention (ILO C188). This piece of legislation ensures uniformity for all fishers, without distinction between share and contractually employed fishers, in respect of the provision by vessel owners of minimum welfare standards and human rights protections.

Under ILO C188, for share fishers, owners must set out the regularity and basis of payment in a fisher's work agreement and record payments in a statement of account.

ILO C188 is intended to be a positive development; ensuring basic welfare and human rights protections for all fishers. However, Human Rights at Sea has observed that,

“The move has caused some consternation within the industry, notably among those vessel owners and share fishermen who feel that the moves are a step closer towards eroding the status of share fishermen.”

Human Rights at Sea, 2019

A comment indicative of the high value that share fishers place on the share fishing model.

They were concerned that if crew-members were employed on a salary, there would be much less reason to wake up at 4.00 a.m. and head out on a rough sea in inclement weather. With the share model, fishers knew they had to go to sea, otherwise they would not get paid. This was accepted as how fishing is meant to be. As one fisher said,

“It's the motivator, it's what gets people up in the morning.”

Some owners and skippers argued that the existence of the share fisher model affects the safety of the vessel. With no employment contract in place, it was the decision of the skipper if someone was fit to go to sea or not. One skipper recounted having to turn a fisher away one morning because he turned up worse for wear through alcohol or drugs. He shared his belief that if the fisher had a contract of employment, his ability to turn a person away would be curtailed; thus placing the vessel and other crew members in danger. Of course, this works both ways, as share fishers not confident about the safety of the vessel have no obligation to go to sea. However, the reality is that the need to earn an income can be an overriding factor which affects whether to take a risk and ignore safety issues and turbulent seas.

products providing protection for sickness, critical accident and life insurance, as well as how difficult it is to make long-term savings plans for a personal pension. While not explicitly mentioned during the interviews, it is relevant to recognise that the share model excludes an employer's contribution towards National Insurance and pension. A low level of National Insurance contributions can have longer-term consequences when needing access to contributory welfare benefits such as Job Seeker's Allowance, Employment and Support Allowance and the state pension.

It is the extent and the reality of these disadvantages that can negatively impact the financial health and resilience of many fishers. As one vessel owner said, "share fishing can be feast or famine". It is inherent in the share model that fishers are self-employed and responsible for their own financial affairs. In contrast, contracted employees benefit from a regular income and the simplicity of having their tax and national insurance contributions deducted at source through their payroll. There also exist legal requirements on employers to provide a minimum wage, sick and holiday pay, make National Insurance contributions and offer automatic enrolment and contributions to pensions. For those who are self employed, such as share fishers with a highly fluctuating income, it requires both time and a sophisticated level of financial literacy and capability to manage HMRC payments and make longer-term financial plans. This is not to mention the benefits that they are missing out on – including the tax benefits attached to a long-term pension plan.

“Share fishing can be feast or famine.”

While some fishers are able to manage their income well, evidence from interviews suggests that financial capability, in common with the wider UK population (MAS 2018a), is not a life skill which all fishers possess. For some crew members, periods of high earnings are accompanied by periods of high spending which can be followed by dearth and near penury, leading to inappropriate borrowing and over-indebtedness just to make ends meet. It has been suggested by some that this lack of medium- to long-term financial planning could be symptomatic of a high-risk dangerous work environment (cf. Turner et al. 2019) in which a culture of living for today rather than tomorrow predominates.

During interviews held in Newlyn and Whitehaven, fishers articulated the value of the share model in terms of the freedom and autonomy it gave them. They were free to work when they liked, where they liked and for whom they liked. In this respect the share model bears some similarities to the arguments made to support the flexibility of employment choice inherent within the modern gig economy. Some vessel owners said that their crew-members sometimes chose to work only 30 weeks in the year; either to have an extended rest period or do other things.

Moreover, the model was valued because it rewarded individual fishers directly for the skill and effort they brought to the job and because it offered the opportunity to earn a lot of money proportionate to the amount of labour expended. Some share fishers; particularly on larger vessels, have significant earning potential. In contrast, the contracted

employment of non-EEA crew on larger vessels was regarded as benefiting the companies who could pay their employees much less than would have been due if receiving a share of the profits. Employment within the fishing industry is offset against a cap on their earning potential and thereby limits potential rewards. This is an important reason why the share fishing model is considered to be more attractive than contracted employment.

For owners, skippers and crew-members, the share fisher model was, as one fisher interviewee in Newlyn, put it,

“I don't class fishing as a job but as a way of life.”

Fishing's high fatality rate

With agriculture and forestry, fishing has the highest rate of at-work fatalities in the UK with a combined annual average of 36 deaths per year in this sector between 2014/15 and 2018/19. (HSE 2019).

However, in the interviews, while valuing its egalitarian nature, the inherent disadvantages within the share model were fully appreciated. Fishers spoke about the insecurity of income, the lack of income at certain times of the year, of the challenges involved in managing their financial affairs, including the payment of Income Tax and National Insurance, the non-existence of holiday pay, the lack of financial

In the data analysis, of the 88 active fishers who revealed themselves to have problem debts, 32 (36%) said that they had rent and Council Tax debts and 23 (26%) had Income Tax debts.



Fishers in interviews recounted multiple examples of fishers in difficulty with Income Tax payments to HMRC and there are numerous examples in the press of fishers being prosecuted in the courts for nonpayment of Income Tax. One case of nonpayment of tax was reported in Scotland's "Press and Journal"⁴. The article spoke of the defendant losing control of his finances by dipping into his tax fund for spending money and then having "buried his head in the sand" in respect of paying the tax bill.

4. North fisherman avoids jail after admitting £42,500 tax evasion. The Press and Journal. May 1, 2019

Fishers who were able to manage the share model effectively were those who were able to save and budget their income over the year (see Chapter: *Financial capability and money management*). It was these fishers who were also able to save for a private pension. It was significant that in the data analysis 48 out of the 84 retired fishers (57%) were receiving pension credit and only 13 (16%) said that they had an occupational pension. Within the data set this reveals a high number of retired fishers without a personal pension. Furthermore, the high number in receipt of pension credit indicates, that a significant number of retired fishers seeking support were living on a state pension below the minimum income standard. It is reasonable to assume that this arose due to non or low payment of National Insurance while working. These figures demonstrate the potential for longer-term financial impact on both the fisher and the welfare system as a consequence of low incomes and low levels of national insurance contributions.

Although the share fishing model works well for many fishers, primarily those who are financially capable and skilled in money management, research evidence from the data analysis and interviews suggests that it is not working for everyone. Poor financial capability and uncertain incomes are undermining the financial health and resilience of many. It was even noted by one stakeholder

interviewee that a key argument in support of share fishing, the direct reward for greater effort and commitment, could also be compromised by the fact that the amount of fish caught was not ultimately under the control of the crew-members. Instead it was dependent on the weather, the availability of fish and the quota to harvest it, the skill of the skipper, the condition of the vessel and the quality of on-board equipment and technology.

During the interviews with fishers, it became apparent that the share fishing model had potentially greater impacts than irregular and insecure income. The demands and inherent uncertainties could cause stress which directly affected their health and well-being. Fishing is an arduous and difficult job, out in all weathers, with physical heavy lifting and a constant need to be aware of the potential for accidents. People spoke about their problems with back pain and general deterioration in health. But because fishers do not get paid unless they go to sea, despite all their medical conditions and even feeling unwell, they said they often went out to fish when they should not. In lean times, they felt that they just had no choice. It was just how things were. There is no safety net in place to support fishers during periods of ill health or injury.

A recent report from Demos entitled "*Liquidity Trap*" (Glover et al, 2019) explores the situation of people defined as 'liquid' workers, understood as those who are not employees but are self-employed, freelancers, gig economy workers, agency workers, temporary workers, people on zero-hour contracts and those with multiple flexible forms of employment. Although not referenced in the report, share fishers experience many of the same characteristics attributed within the report to liquid workers.

The report finds that 'liquid workers' face greater barriers to financial inclusion and lack access to financial products when compared to employees. This results in them being less financially secure than other workers, as they experience significant income volatility, are often unable to take time off when they experience ill health, and, as is the case with many share fishers, lack adequate provision for retirement. Significantly, the report found that they were more likely to worry and feel stressed about their financial situation – thereby impacting their mental health and well-being. In the United States, similar studies have demonstrated that gig economy workers suffer greater financial vulnerability than the employed working population at large (Forbes 2019).

An interesting finding of the Demos report (Glover et al, 2019) was that, whilst valuing flexibility, almost half of liquid workers (48%) would be prepared to sacrifice some flexibility in the way they work for greater financial security. Just 21% said they would be unwilling to change the way they work. This perhaps bodes well for any future intervention that can support and enhance fishers' financial resilience and achieve an evolution of the share fishing model.

Although the share fishing model works well for many fishers, primarily those who are financially capable and skilled in money management, research evidence from the data analysis and interviews suggests that it is not working for everyone.

Fishing opportunities and markets

Even though many of the fishers that the team met in Whitehaven were struggling to make a living, not all were. One fisher in particular told the team that he was making a good living from fishing for non-traditional species such as whelks. With many years of saving and the financial support of his family, he had been able to purchase a modern, under-12 metre, well-equipped, coastal vessel now operated with a crew of three fishers. With quota and license restrictions, the loss of fish stocks through overfishing, the growing incidence of marine protected areas and prohibited species, the need to avoid windfarms and their off shore cables, and even climate change, his opportunity to fish for the traditional species of fish in his area of the North Sea had been vastly reduced. Instead he adapted and he no longer fished for traditional species, as his father and grandfather had done before him, instead catching only whelks. Whelks are a non-quota species and freely available, and were profitable given the growing market for them in China, the Far East and the European Union.

This move to fishing for whelks, and other non-quota species⁵, has become common in small-scale coastal fishing communities nationally, given their availability and the vibrant market. It highlights the fact that fishing can provide a decent income for fishers if they can access fishing opportunities and also sell their catch at a fair market price. Fishers interviewed during this research study identified that both these fundamental factors of success were now under severe strain in many parts of the small-scale coastal fishing industry.

Access to fishing opportunities is often understood in terms of access to quota. Under current arrangements, the European Commission, on the basis of scientific advice, sets out proposals for total allowable catches (TACs) or fishing opportunities, expressed in tonnes, for most commercial fish stocks

in order to prevent overfishing and preserve sustainable fishing stocks for the long-term. TACs are then shared between EU countries in the form of national quota⁶. Each member state then decides its own rules and procedures on the allocation of its quota between fishers and fishing organisations. As already noted, however, some species of shellfish, but not all, are deemed non-quota species and can be freely fished.

Nearly all of the small-scale coastal fishers interviewed expressed a keen sense of injustice when it came to a discussion of the allocation of quota. They expressed concerns about the way that quota had been introduced and allocated which they felt had been detrimental to the viability and financial sustainability of the small-scale coastal fishing fleet. When quota was first introduced, it was distributed on the basis of historic catch records, solely to larger vessels, those who in fact had the capacity to overfish significantly, and predominantly allocated through the Producer Organisations (POs) to which they mostly belonged. The small under-ten coastal vessels, mostly day-boats, were exempt from quota requirements. This is because they were deemed too small to make any significant impact on fishing stocks and were allowed to continue to fish for whichever species they were able to access.

But it was subsequently decided by the Government that small-scale, under 10 metre, day boats would also be subject to quota and license restrictions. By this time, however, most of the national quota had already been allocated to larger vessels through the POs, which left less than 4% of the national quota to be divided by the Maritime Management Organisation (MMO) among over 4,500 small-scale fishing boats. This represents 77% of the national fishing fleet (Dowler 2019).

Evidence provided to the 2012 Judicial Review on quota allocation by representatives of the Producer Organisations put forward an argument that larger-scale fishers had 'ghost fished' to enhance their claims for future access to quota. By this they meant that some fishers had falsified their catch reports to show that they caught more fish than they did, thereby subsequently obtaining access to a greater quota share of the overall resource⁷.

Greenpeace (Dowler 2019) and the New Economics Foundation (Carpenter, 2017, 2019) have both revealed how the management and allocation of quota in the UK has favoured a number of corporate companies operating large-scale, industrial trawlers. Dowler (2019) in Greenpeace's "*Unearthed*" publication revealed that two-thirds of the UK's fishing quota is controlled by just 25 large businesses. In England nearly 80% of fishing quota is held by foreign owners or wealthy domestic families, and more than half of Northern Ireland's quota is allocated to a single trawler. A key factor in the amassing of quota in corporate companies, some with very large allocations, has been the commodification of quota. Rather than being allocated to protect the sustainability of fishing stocks, it has become a commodity that has been able to be traded and leased and thus amassed by those with the financial resources to pay the high rates increasingly demanded⁸.

During the study fishers referred to "slipper skippers" who hold significant fixed quota but lease it to larger companies or working fishers. This means a "slipper skipper" can sit comfortably at home earning a good income from others who are willing to pay to lease the quota and go out fishing. This commodification of quota explains how half of England's quota is now ultimately owned by Dutch, Icelandic, or Spanish companies (Dowler 2019).

Undoubtedly, as was strongly expressed by fishers in Newlyn, the restrictions placed on small-scale coastal fishers through quota allocation were seen as detrimental to their livelihoods. It is not difficult to understand why - one interviewee related the fact that many fishers on the south coast have had to watch trawlers out at sea fishing herring whilst they cannot, as they have no quota, even though they can see the herring available in the sea and their families had been herring fishers for many prior generations. It has been argued that this is one of the reasons that caused 92% of UK fishers to vote to leave the European Union (EU) (McAngus, 2016). For better or worse, they had come to believe that leaving the EU and the Common Fisheries Policy (CFP) would result in a reallocation of quota and an opportunity to catch more fish, and improve their financial prospects and the economies of local coastal communities (McAngus et al. 2018).

A number of interviewees claimed that the UK fishing fleet has undoubtedly suffered through the allocation of quota on a member state basis through the Relative Stability Keys (the method whereby individual country shares of quota in the EU were fixed decades ago) when the UK became members of the Common Market. However, they stressed that the allocation of quota internally within each member state is decided upon by the national Government. It is the system operated in the UK that has resulted in an allocation of less than 2% of the overall national quota to the small-scale coastal under-10 metre sector.



5. Non-quota species are mostly shellfish which include crabs, scallops, crayfish, cuttlefish, squids, lobsters and whelks. Nephrops (prawns), however, are a species governed by quota.

6. Cf. Managing Fisheries, Managing Fisheries, https://ec.europa.eu/fisheries/cfp/fishing_rules/tacs_en

7. Approved Judgment, Case No: CO/4796/2012. In the High Court of Justice Queen's Bench Division Administrative Court.

8. Following calls from National Federation of Fishermen's Organisations and others a national register of quota holdings has been established to ensure transparency regarding the companies that hold quota in the UK. <http://nfo.org.uk/news/a-register-of-quota-holdings-now-an-imperative.html>

Alongside the concern about the level of quota and its distribution within the fishing fleet, those fishers who depended on quota also expressed dissatisfaction with the MMO's close surveillance of under-10 vessels and the overly rigid enforcement of quota limits. They said that they felt targeted unnecessarily by MMO surveillance vessels whose personnel were too ready to pick up on minor quota violations and impose inordinate fines on small-scale coastal fishers who were already struggling to make a living. Fishers said that they were concerned about conservation but, for many, quota restrictions on the small-scale coastal fleet were experienced as control rather than conservation. One fisher in Newlyn who had been fined recently, expressed the view that even though he had slightly exceeded his quota allocation by accident, the total quota for the species allocated to all vessels had not been fished. Such perceptions led, as revealed by Ford and Stewardt (2019) to a degradation of fishers' trust in UK fisheries management.

However, as was stressed by a number of stakeholder interviewees, the restriction of access to fishing opportunities is not all about quota. Over the years, small-scale coastal fishers have been increasingly restricted by licence conditions which determine which species of fish can be targeted and thus are a mechanism of the allocation of quota, but which also authorise the sea areas in which a vessel can fish. Other restrictions on sea areas for fishing are also on the increase with the growth of marine protected areas and fishing grounds closed off for ecological or environmental reasons. In Whitehaven, the presence of windfarms with offshore cables were identified as a major restriction on the movability of fishing vessels which consequently limits access to fishing grounds, as it increasingly does in many other parts of the country.

Some fishers told the research team that where in the past they would fish freely for species relatively near the shore, they now had to make a 6-hour trip just to arrive at a fishing ground where they could fish legally.

But perhaps the most significant restriction on fishing was, through either overfishing or climate change, the disappearance or reduction of species from areas where they would normally have been found. In Scotland, although contested by some, the Scottish Creel Fishermen's Federation (2019) has argued that large trawlers fishing close to the shore have reduced to commercial extinction almost all the demersal or finfish species that would have been previously

fished in inshore waters. As a consequence, SCFF claims that the majority of the small-scale coastal fleet are now mainly reliant on Nephrops.

The move to whelks or to Nephrops may be a short-term solution to the immediate problem of lack of access to fishing opportunities for small-scale coastal fishers. Yet many worry that it does not bode well for the long-term sustainability of non-quota shellfish and thus of the businesses based on it. A recent report of the Blue Marine Foundation (2018) has warned that whelks may be the next boom and bust event to hit the fishing industry, as significant financial rewards, and a lack of availability of other species, is tending to lead to significant and unsustainable overfishing.

Those fishers who do manage to land fish, however, are faced with another pressing problem, which was strongly articulated in Whitehaven. Even when fish were landed, some fishers struggled to access markets that paid sufficiently well to maintain a profitable business. This added to their financial strain and worries.

The price for fish is the biggest problem, some people are making a lot of money out of the poor fishermen. Compare the price paid to fishermen and then what it is sold for in the shops.

One fisher told us in Whitehaven that skate, for which a fisher would receive £1 a kilo, would be sold at £9 in the supermarkets. He argued strongly,

It's the middle man that is making the money.

Many of the fishers argued that it is a buyer's market and fishers are price takers not price makers. This is because fish is a perishable product which has to be sold within a finite period. Sometimes, at auction, fish prices are good and very profitable. But at other times, prices are so low that they undermine the viability of the fishing business. In some ports, such as Whitehaven, there is no local market and fish must be transported as far as Lowestoft, a 305 mile road journey. When it arrives, the price is fixed by the buyer. As one fisher said,

It's the only industry I know that you do not know what you will get for your product.

Sometimes fishers in Whitehaven reported that they sent fish to Fleetwood and earned nothing at all. They just received a text message back which read: "Not sold". This was after paying commission on landing the fish, paying for transport to the market, and paying commission again at the market. One fisher on the south coast said he transported all the fish he landed directly to a market in France, where it was sold for better returns. Another ex-fisher argued that a lack of collaboration amongst fishers meant they were their "own worst enemy". He said,

It is true to say that fishermen have relied too heavily on the auction system. One tends to go fishing, land, go to bed, get up and go and do it all again. If prices are low then most of the time fishermen will just seek to land more quantity to make up for lower prices. We have been our own worst enemy in this respect and there are not many examples where fishermen have worked together to limit supply in order to improve prices. An exception to this was the voluntary tie up scheme that Scottish whitefish boats did earlier this year to limit landings in the face of COVID-19 price collapses.

Fishers in general would benefit from greater competition in respect of routes to market than just market place auctions. They may also be well advised to find ways to collaborate in marketing and selling fish to strengthen their collective bargaining power. It is possible that a more collaborative approach could help fishers to obtain a fairer price for fish.



On a positive note, there are a number of market-based direct selling initiatives coming to the fore in the UK for the small-scale coastal fleet that provide greater returns to fishers. Examples include Dreckly Fish⁹ in Newlyn and Pesky Fish¹⁰.

After the research study was concluded, a recent initiative developed in response to the COVID-19 lockdown was Call4Fish. Based in Plymouth, it aimed to keep fishers fishing and earning an income by linking fishers and fishmongers to deliver freshly caught fish to a home-based consumer market. Advice and information was also swiftly developed to enable more fishers to become involved in delivering directly to consumers for the first time. Direct selling can enable fishers to receive a better price for their fish as it circumvents the auction system.

9. www.cornwallgoodseafoodguide.org.uk/directory/dreckly-fish.php
10. www.peskyfish.co.uk

However, a domestic home consumer market is unlikely to replace the more lucrative restaurant and international markets. In addition, existing buyers often actively seek to dissuade their fisher suppliers from changing to these new buyers and indeed building the trust between fishers and a new buyer takes time. However, on balance with collective bargaining and a new market opening up for domestic home-based consumer deliveries, there exists increased opportunities for small-scale coastal fishers to become price makers rather than price takers, thereby enhancing their financial resilience.

Making ends meet on a low income

It is undoubtedly the case that fishers can earn a good income from fishing. In the interviews, fishers told the research team that annual incomes of between £38k and £70k were not uncommon and could even be much higher depending on the segment of the industry in which people worked. In Peterhead, it was reported that crew members on one large trawler, operating on an industrial scale, were earning above-average incomes given the vessel was catching fish valued at £1 million on each trip out to sea. In Whitehaven too, fishers on smaller but modern and well-equipped vessels catching non-quota species, particularly whelks, said that they were earning significant incomes. In Newlyn, several fishers said that they were confident that it was still possible to make a good income from fishing.

However, it was also evident from the interviews that not everyone in the industry was earning enough to make ends meet. Many of the small-scale coastal fishers, often with older and smaller boats and lacking the latest technology, were earning very little. In many of the interviews, fishers reported struggling on an intermittent, uncertain and low income and being dependent on their partner's earnings or having to take a second job to subsidise their fishing income. As one fisher said,

The days of anybody making money on a small boat are long gone.

Another said,

Some are so poor that it is unbelievable.

He stressed survival depended on "marrying a store pot", a local colloquialism for marrying someone with earning potential. One fisher in Newlyn even recounted how he had sometimes been so poor that he had taken home the bait and eaten that.

The reality of surviving on a low income was evidenced by one fisher who owned a small boat and earned his living entirely from catching fish. He told the research team that his annual income was just over £5k. He said he had to take the boat out to sea alone as he could not afford to share the profit from the catch with a crew member. As to why he continued for such little reward, he felt that he could do no other job, now that he was in his 50s, fishing was all he had ever known. He has tried other jobs which he found neither suited his capability nor temperament; he felt suited solely to the sea.

As an aside, and following on from the experience of this fisher, it is increasingly common and has been for many years that skipper boat owners go to sea alone, despite the risk to safety. The combination of limited access to quota species, together with changeable weather and the difficulty in finding reliable crew, are contributing factors causing many skippers to operate alone. It is also sometimes the case that with modern systems, one man can do the work previously done by two and thereby maximise their profit. In such cases economic drivers outweigh safety concerns. The potential risks strengthen the argument for supporting the economic resilience of fishers.

Direct selling can enable fishers to receive a better price for their fish as it circumvents the auction system.

The painful reality of financial insecurity

The pain of financial insecurity felt by one fisher in Newlyn was clear, when he told the researcher that he could not make ends meet from small-scale coastal fishing,

“ I verged on suicide when I chopped up the boat, and it was all down to financial stress. I did not receive any welfare benefits and I had to go out poaching pheasant and rabbit to put food on the table. ”

Variability of income, of course, depends on many factors - the capability of the vessel and the use of modern technology, the fishing skills of the skipper and the crew, the organisation and management of the business, the species that are fished and access to the quota to catch it, as well as access to markets in the UK or overseas. Indeed, fluctuations in income are expected and can vary depending on the amount of effort applied. This is true for all self-employed people in any business or enterprise, fishing or otherwise. But it is particularly challenging if, and when, that income is low due to factors outside of individual control, and regardless of the amount of effort exerted.

From the data sets of the three charities, it was possible, where it was declared, to identify average household income of different groups of applicants. Housing Benefit and Council Tax support were not included as income and given the data available, those with dependent children also could not be included in this analysis. So, these figures need to be regarded as indicative only and only apply to those applicants for whom income was noted in the case notes.

In 2019 the median household disposable income¹¹ was £29,400 in the UK (ONS 2019). The poverty line is set at below 60% of this income and refers to incomes below £17,640. Of the fishers seeking support and/or advice, the household income was as follows:

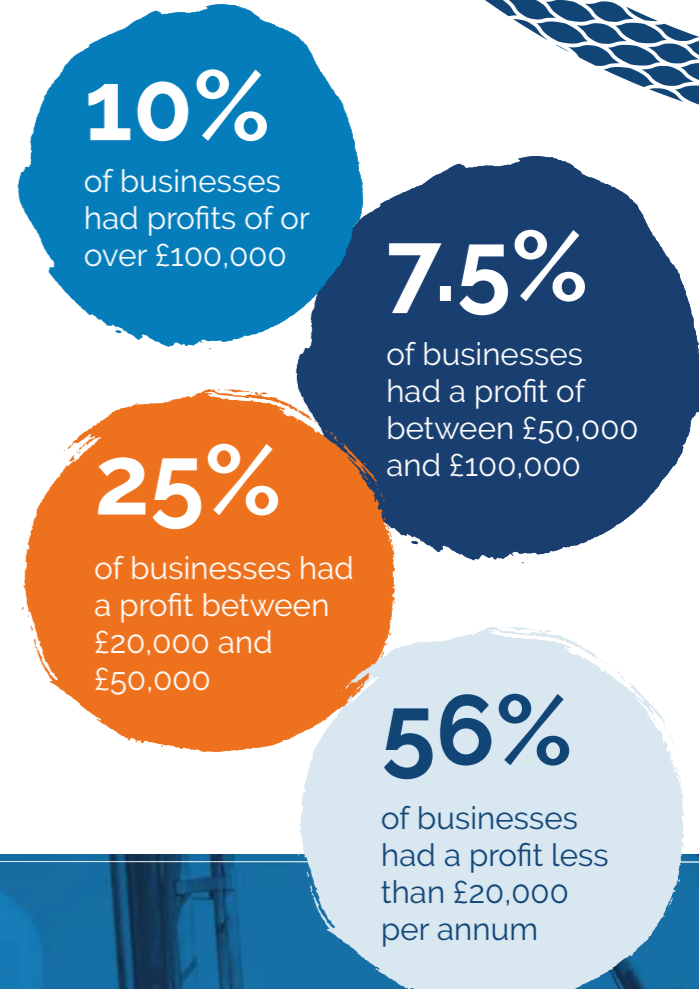
Household Type	Average Income	Median Income	Number of Fishers in Category
Active single fishers	£12,771	£8,219	30
Active fisher couples	£13,700	£11,118	18
Single ex fishers	£8,213	£6,720	49
Ex fisher couples	£12,541	£11,968	21
Retired single fishers	£11,089	£10,319	58
Retired fisher couples	£16,880	£16,039	32

¹¹ Disposable income is the amount of money that households have available for spending and saving after direct taxes (such as Income Tax and Council Tax) have been accounted for. (Office of National Statistics 2019).

From this analysis it is apparent that the presence of a partner's income can help to subsidise the income earned from fishing. However, it is impossible to know the extent that the partner's income may be subsidising the income earned from fishing. Yet it is reasonable to assume that in some cases the income level for couples would be lower than currently stated. The outstanding fact from this sampled analysis is that in all groups, income fell way below the poverty line of £17,640 and perhaps indicates the very reason why they sought advice and support.

Also analysed were 47 anonymised business accounts of vessel owners applying for European Maritime and Fisheries Fund (EMFF) grants with the assistance of the Fishing Animation Project. This data demonstrated the wide range of profitability in the commercial fishing business but, significantly, over 50% of businesses applying for grants had an annual profit of less than £20,000.

Data on profit was recorded in fact for 39 businesses. The median business profit was just £17,000. The largest profit recorded was £1,500,000 and the smallest was a loss of £21,000. Four had profits of or over £100,000 (10%), three had a profit of between £50,000 and £100,000 (7.5%), 10 had a profit between £20,000 and £50,000 (25%) and 22 had a profit less than £20,000 per annum (56%). With an annual profit of less than £20,000 per annum, it is not hard to imagine how vessel owners struggle to make ends meet.



Data demonstrated the wide range of profitability in the commercial fishing business but, significantly, over 50% of businesses applying for grants had an annual profit of less than £20,000.

Over-indebtedness and its impact on mental health

Among many low-income households in the UK the use of credit is widespread. For many it is the only way to manage. Understandably, credit usage is driven by the tightness of household budgets and the inevitable fluctuations of income and expenditure. In the UK, 69% of low-income households and some 10.55 million low income individuals are credit users (Ellison et al. 2011, House of Lords 2017).

In the interviews, fishers reported that managing on a fisher's low income, particularly as a share fisher, makes the use of credit more likely and even necessary. Share fishers lack a regular income and depend on intermittent receipts from their share of the catch. The weather, the availability of fish, the price at market, all impact not only on the overall level of annual income, but on the regularity of the amounts received. Fishers stressed that they can often go weeks and weeks without any income whatsoever. This can be a challenge for all fishers, but it is particularly hard for those managing on a low annual income as it impacts their ability to make longer-term financial plans and to budget over a period.

Many of the fishers interviewed told the research team that borrowing to make ends meet was commonplace. Options for borrowing money included the skipper or the company if working on larger boats, as they sometimes "subbed" their share fishers. Borrowing from one another was routine but so too was borrowing from various financial providers in both the mainstream and alternative, sub-prime market.

Fishers reported that banks were not always willing to respond to the needs of people on a fluctuating and irregular fishers' income and many tended to use various credit cards or to turn to sub-prime lenders. Although only indicative of the sample group within the study, the research sample data reveals that of the active fishers approaching the charities for debt advice or support, 23% said that they were borrowing from sub-prime or high-interest lenders, 16% were using mainstream bank/building societies and 11% had loans from family and friends.

One fisher boat owner interviewed by the research team said that he was £15k in debt with no means of repayment apart from selling his boat which, at the time of the interview, he said that he would have to do in the very near future. Even this was not an easy option as he said that he would have to pay capital gains tax on the sale as he was not reinvesting back into the fishing industry.



Of course, most people who borrow, even if on a low income, are able to manage their credit obligations and repay their loans successfully whether to friends and family, to banks or even to high-cost lenders. Access to credit for most is helpful and, if properly managed, can assist in making ends meet when needs arise or through financially difficult times. But there are also many who struggle, become over-indebted and fall into serious difficulties with problem and often priority debts.

Priority debts are those that can lead to the most serious consequences if they are not paid. They can lead to loss of a home or a court summons.

The National Audit Office (2018) estimates that 4 in 10 people have problems managing their money.

The Money Advice Service (2018) calculates that 17.2% of the UK adult population (8.9 million people) were over-indebted in 2017 (cf. MAS 2018b).

Fishermen's Mission

In 2017/18 the Fishermen's Mission secured grants from maritime welfare charities for 4,031 fishers in financial difficulty to a value of £1.2m. This is a 20% increase on the previous year. It also provided emergency financial assistance from its own funds to 235 fishers, a 30% increase on the previous year. (TFM, 2020).

From the analysis of the datasets of the three maritime welfare charities participating in this study, it was evident that over-indebtedness was the main reason that most active fishers, retired and ex-fishers gave for seeking advice or financial support.

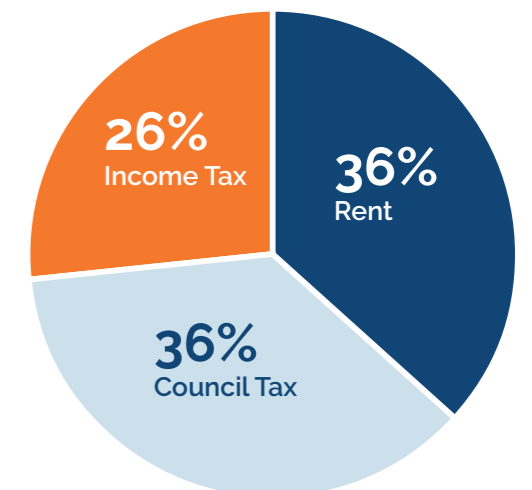
Note about the data

When reviewing the numbers and percentages in the data sets, please be aware that the numbers do not equate to 100% as some fishers would have received both debt and benefit advice for example. They are also likely to have debt in more than one category and for priority and non-priority debts. Similarly, hardship grants are awarded for a range of reasons and not just the two areas referred to in this data.

Active fishers

In the datasets, there were 140 fishers who were currently active within the fishing industry at the time they sought help. Of this group 88 (63%) sought help primarily about problem debt. The over-indebtedness of these 88 active fishers mainly related to problems repaying priority debts such as:

- ▶ Rent (36%, n=32)
- ▶ Council Tax (36%, n=32)
- ▶ Income Tax (26%, n=23)



In total 72% of all debts recorded for active fishers related to priority debts. This is both a high number and significant. This is because non-payment of priority debts can have serious consequences such as loss of home or other enforcement action and therefore demonstrates extreme financial vulnerability. A smaller number (21 or 24%) had non-priority debt on credit cards. In total 100 of the 140 active fishers sought assistance from SAIL¹² and 57 (57%) of them required debt advice.

In the group of 140 active fishers, there were 61 who were currently working, 50 who were on sick leave, 25 who were not working at the time of approaching the charities and 4 whose status was not recorded.

Active and currently working

The experience of the 61 fishers currently working, mostly as self-employed share fishers¹³, is interesting to review in more detail. Out of these 61 fishers:

- ▶ 43 (70%) had problem debts, of which 36 (84%) had problems with priority debts.
- ▶ 46 (75%) had received advice from SAIL:
 - 33 (72%) had received debt advice
 - 22 (48%) had received benefit advice.

It was concerning that 9 fishers (15% of this group) who were currently working said they had no current income. To alleviate their financial situation 36 (59%) were awarded a grant from one of the maritime welfare charities. This demonstrates that despite being economically active, there existed barriers to earning an income which created a need for welfare or charitable support. As can be observed from this data sample – more fishers (36) were supported by a charitable grant than received advice on welfare benefits (22).

12. Note – there were 140 active fishers in the total data set, 100 of whom had approached SAIL for advice, the other 40 were grant beneficiaries of SMS and SHS and did not receive advice from SAIL.

13. See: Appendix 2: Results of data analysis.

Active but on sick leave

Most fishers approached SAIL or the other two maritime welfare charities because of over-indebtedness or financial problems. Often these financial problems had arisen from periods of ill health and fishing injuries that prevented fishers from working and earning an income. Of the 50 fishers on sick leave:

- ▶ 21 (42%) said that they had zero income when they sought advice or support.
- ▶ 35 of the 50 fishers (70%) received advice from SAIL:
 - 29 (83%) received benefit advice
 - 15 (43%) received debt advice
- ▶ 26 (52%) of the 50 fishers on sick leave received charitable grant support:
 - 16 (62%) grants were to make up for a shortfall in income, and
 - 7 (27%) grants were to assist with debt repayments or bankruptcy fees.

It is likely that the fishers receiving advice on benefits would have been informed about their eligibility for welfare benefits such as Employment Support Allowance and Personal Independence Payment and supported to apply for these benefits. However, once again it is noticeable that nearly one third (16) of all fishers on sick leave required charitable grant support to make up for the shortfall in their income – possibly until such time as their application for welfare benefit had been assessed and became payable.

Active but not currently working

The same financial struggle was evident among the 25 active fishers who were not working when they approached the charities for support.

- ▶ 17 (68%) of them stated that they were over-indebted. Of these:
 - 14 (82%) had priority debts.
- ▶ 15 (60%) of the group received advice from SAIL:
 - 10 (67%) received benefit advice.
 - 8 (53%) received debt advice.
- ▶ 14 (56%) received grants from a maritime welfare charity:
 - 7 (50%) received grants for assistance with debt repayments or bankruptcy fees.
 - 4 (29%) received grants to cover a shortfall in income.

Out of the analysis of the data sets, and supported in many conversations with fishers, there emerged a link between financial difficulties and over-indebtedness and the mental health of fishers. Over a quarter of all fishers said that they suffered from poor mental health. Out of all 341 fishers (active, ex-fishers and retired) in the data sets, 92 (27%) said that they had mental health issues, and 63 (68%) of these also had problem debts. Over two-thirds therefore of all fishers with mental health issues linked their poor mental health to problems with over-indebtedness.

Of the 140 active fishers, 25 (18%) had mental health issues with 18 (72%) of this number experiencing problem debt. Of the 25 active fishers who were not currently working, 7 (28%) had mental health issues. Of the 114 ex-fishers in the datasets, 55 (48%) had mental health issues and of this group 38 (68%) had problem debts. A high proportion of ex-fishers with mental health problems were likely to be on benefits such as Employment and Support Allowance (ESA) and Personal Independence Payment (PIP). Of the 84 retired fishers, 13 (15%) said that they had mental health issues.

The impact of over-indebtedness on mental well-being and the wider determinants of health is well-known (RSPH 2018; MIND 2017). Worrying about money is stressful and can lead to depression and poor mental health, whilst poor mental health can make money management even more of a challenge. A vicious cycle can ensue which leads to increasing and deepening mental health problems which further undermine financial health and resilience.

In reflecting on the level of poor mental health among fishers, one fisher opined that he felt stress also arose from the personal expectations of fishers that did not always work out in practice. Fishers see themselves, he argued, as the last of the hunter-gatherers, braving the elements to provide for their families and themselves. But in fact, when the market price obtained for their catch is insufficient to make ends meet, they then become over-indebted on personal borrowings or are rendered financially dependent on wives and partners who work. Ultimately, without any other financial safety net in place, they have no choice but to access charitable support. Insecurity of income, over-indebtedness, the strain of the job itself, combined with low esteem when not earning or earning enough, or in debt, can all combine to result in poor mental health.



Access to affordable credit

As described in the previous chapter, fishers often needed to borrow to smooth out their irregular income. However, a lack of access to affordable credit options, often led them to borrow from high-cost providers or run up debts on interest accumulating credit cards. This only compounded financial difficulties and levels of personal over-indebtedness.

Interviewees told the research team, that a specific problem exists for small boat owners regarding their ability to access credit. Small-boat owners often have a need to access credit to replace pots and nets lost at sea, to purchase essential equipment and gear and to repair and upgrade their boats. Many small boat owners reported that high street banks and other financial institutions were not interested in the small boat owner with a fluctuating income and without collateral.

It was suggested that high street banks have a low approval rate for loans secured against fishing vessels. This may be for a multitude of justifiable reasons, but it is apparent that many fishers were unable to navigate and meet the lending requirements established by banks.

For example: proof of regularity of income is difficult to provide, credit checks were difficult to pass, and upfront fees and interest rates could be prohibitive. In addition, high street banks were unwilling to accept small-scale coastal vessels as collateral against a loan without a survey or percentage contribution towards the total loan amount. All of these present additional costs to obtaining credit.

The purchase of a new boat for small-scale coastal fishing seemed particularly difficult as banks are mostly not prepared to fund such purchases. The research team interviewed two boat owners who had purchased new boats. They were not able to access a loan from mainstream banks. Instead they were only able to make their purchase with financial support from their family and after many years of saving, achieved in one case by virtue of a more profitable job outside of the fishing industry. Both had approached high street banks with no success.

Loans for new entrants into fishing seem to be non-existent, so purchasing and equipping a boat, paying for a licence and leasing quota if required is very much an uphill struggle and can present a barrier to entering the profession. Some specialist lenders offering commercial fishing loans require borrowers to have been operating for six months and have a monthly turnover of £5,000 before being considered eligible to apply for a loan¹⁴. There was little evidence from the interviews that there was any real opportunity for a new entrant to realise the investment needed to enter fishing, at least not with funds generated through a loan from a bank or other mainstream financial institution.

The situation does seem different for larger companies with a more robust financial track record. Those with vessels over 24 metres do seem to be able to access finance through banks. Some positive reports on this were received from Scotland

14. Cf. <https://smeloans.co.uk/commercial-fishing-loans/>

and Northern Ireland. However, it was not the case in the main for small-scale coastal fishing vessel owners. It is worth noting that owners of vessels over ten metres are for the most part in the producer organisation based quota system and can use their quota holdings as collateral for a loan, whereas the vast majority of under tens do not have individual quota holdings but access the national under ten metre quota pool. These smaller vessels are unable to offer quota as collateral and thus are mostly refused credit by the banks.

It was argued though by some that banks could do a lot more to support the small-scale coastal fishing industry. It was said that the problem is that banks do not have people who are expert in assessing credit risk in the fishing industry and so often are reluctant to lend for that reason. The point was made repeatedly in interviews that banks have knowledge and expertise in serving the agricultural sector, and it was time that they developed greater understanding of the fishing industry as well.

Fishing Animateur

Animateur: a person who enlivens or encourages something. Animation is a term used in some parts of the European fishing industry. Animation involves providing active, hands-on support from a dedicated individual from within the local industry to identify and work up the details of projects, with and on behalf of fishermen. Animateurs provide more than business support, as they work intensively with individuals and groups of fishermen to provide the expertise to achieve things which they would be unable to address on their own. In this respect the animateur's role is much more than a facilitator or co-ordinator.

Since 2018 Seafarers UK, The Fishmongers' Company Charitable Trust and Trinity House have funded a team of animateurs to support fishers around the UK coast.

One positive intervention that was explored as part of this study was the creation of an affordable credit facility for fishers in Cornwall through the local credit union. Seafarers UK provided a grant to Kernow Credit Union to establish a loan guarantee fund. This approach enabled the credit union to mitigate the credit risk presented by fishers, without placing their members' savings at risk. Seafarers UK and the Fishing Animateurs assisted Kernow Credit Union (KCU) to establish a bespoke credit product for fishers wishing to access the European Maritime and Fisheries Fund (EMFF). The loan guarantee fund was designed to protect the assets of the credit union against any future losses on the product.

Up until its replacement by the post-Brexit Maritime and Fisheries Fund (MFF)¹⁵, the EMFF assisted fishers with grants to upgrade and re-equip their vessels in order to ensure a safe and sustainable fishing business. Grants were also available to support the infrastructure of coastal fishing communities. Normally grants of up to 80% of the cost of equipment, works or improvements would be available.

The problem that faced small-scale coastal fishers was that all invoices for payment had to be settled, and evidence of payment submitted to the MMO before the EMFF grant could be released. Large corporate fishing and processing businesses had no problem with this, but small-scale coastal fishers, typically lacking any savings, often found it impossible. The research team met a fisher in Whitehaven, for example, who had been awarded a £5,000 EMFF grant for essential safety equipment for his boat but who could not accept it as he was unable to find the funds to pay the invoice up front. No bank or other financial institution would lend him the money and unfortunately Kernow Credit Union based in Cornwall was not an option for someone living in Whitehaven. The inability of some fishers to apply for EMFF grants due to an inability to access credit to purchase equipment in advance surfaced often in the interviews.

15. The first panel to consider applications for the new Maritime and Fisheries Fund was scheduled to be held in March 2020. The EMFF fund concluded for UK fishers at the end of January 2019.



The credit union offer was designed to assist fishers just like the man in Whitehaven. A credit union is a member-owned financial co-operative, the purpose of which is solely to serve its members with access to affordable financial services that meet their needs. With the advice and support of the Seafarers UK funded Fishing Animateurs, the KCU loan product was designed to assist fishers access the EMFF grant. A fisher who wanted to access the grant would join the credit union and pay a small joining fee, agree to save regularly, even if this was a small amount, and then make a loan application. The loan would be granted on production of a letter from the MMO awarding the EMFF grant.

Given that the EMFF grant was normally 80% of the cost, fishers could choose to borrow 100% of the cost or, if they had funds to pay the 20% themselves, just the amount of the grant. They would agree to repay the credit union loan with the EMFF grant as soon as it was received, which in some cases could be up to three or four months. Fishers were encouraged to remain part of the credit union, to continue to save and to access further loans in the future in the standard manner. Fishers borrowing 100% of the costs, after the repayment of the grant awarded, remain borrowers for their outstanding 20% contribution which they continue to repay in affordable instalments over an extended period.

The research team interviewed two of the fishers who had joined the credit union in order to access an EMFF grant. The first was a small-scale coastal fisher out of Newlyn. According to his personal analysis he was struggling to make ends meet from fishing due to, "the overfishing in the area by the sardine ring-netters working just offshore". His boat was built in 1983 and needed an essential upgrade to safety equipment, to electrical wiring as well as some general improvements and repairs. This was needed not just to continue fishing, which he intended to do even though this was hard-going and nowhere as profitable as in the past, but also to diversify his business into charter fishing for fee-paying passengers. He had been awarded an EMFF grant of 80% of the £13,500 he needed to upgrade his boat but had no way of finding the money to pay this amount upfront. He had been to the bank with the EMFF offer letter and even though he had been a customer of the bank for around 50 years, he was refused credit.

16. 12.68 % APR, or one % per month, is the traditional standard rate of interest on a credit union loan. It is however charged on a declining balance. Thus, £1,000 charged at 12.68 % APR payable in equal monthly instalments over one year would cost just £64.58 in interest repayments. EMFF loans from the credit union were normally paid back in a shorter period and thus the cost would be proportionately less. Some credit unions in Britain have variable interest rates and charge lower rates for high value loans. Hull and East Yorkshire Credit Union, for example, charge 8.9 % APR on loans over £5,000, again on a declining balance.

It was then, with the support of the Fishing Animateurs, that he turned to the credit union through its local representative in Newlyn. He described the process of obtaining the loan as easy and straightforward. On production of the EMFF award letter, he was granted a loan at 12.68% APR¹⁶ for the full amount of the cost of the improvements, 80% of which would be repayable on receipt of EMFF funds, the remainder over an extended period. He said,

The loan was absolutely invaluable, and without it, I would have been out of business, with a boat that was not seaworthy or fit for purpose.

This fisher has gone on to be a regular member of the credit union and has accessed standard loans subsequently.

The second fisher interviewed accessed a credit union loan for a very different purpose, but which was equally critical to the survival of his fishing business. He was a part-time cove fisher who also worked as a skipper on commercial survey boats. Being a cove fisher meant that his boat was regularly winched up the beach and stored on land between fishing trips. Only in fine weather was the vessel ever moored at sea. The sea wall that protected Polpeor Cove, just to the right of Lizard Point, had fallen into disrepair and needed urgent attention if it was to be saved from further expensive destruction. Without the sea wall, the cove would be left unprotected and winching boats up onto land would have been impossible. It would have been the end of his fishing business.

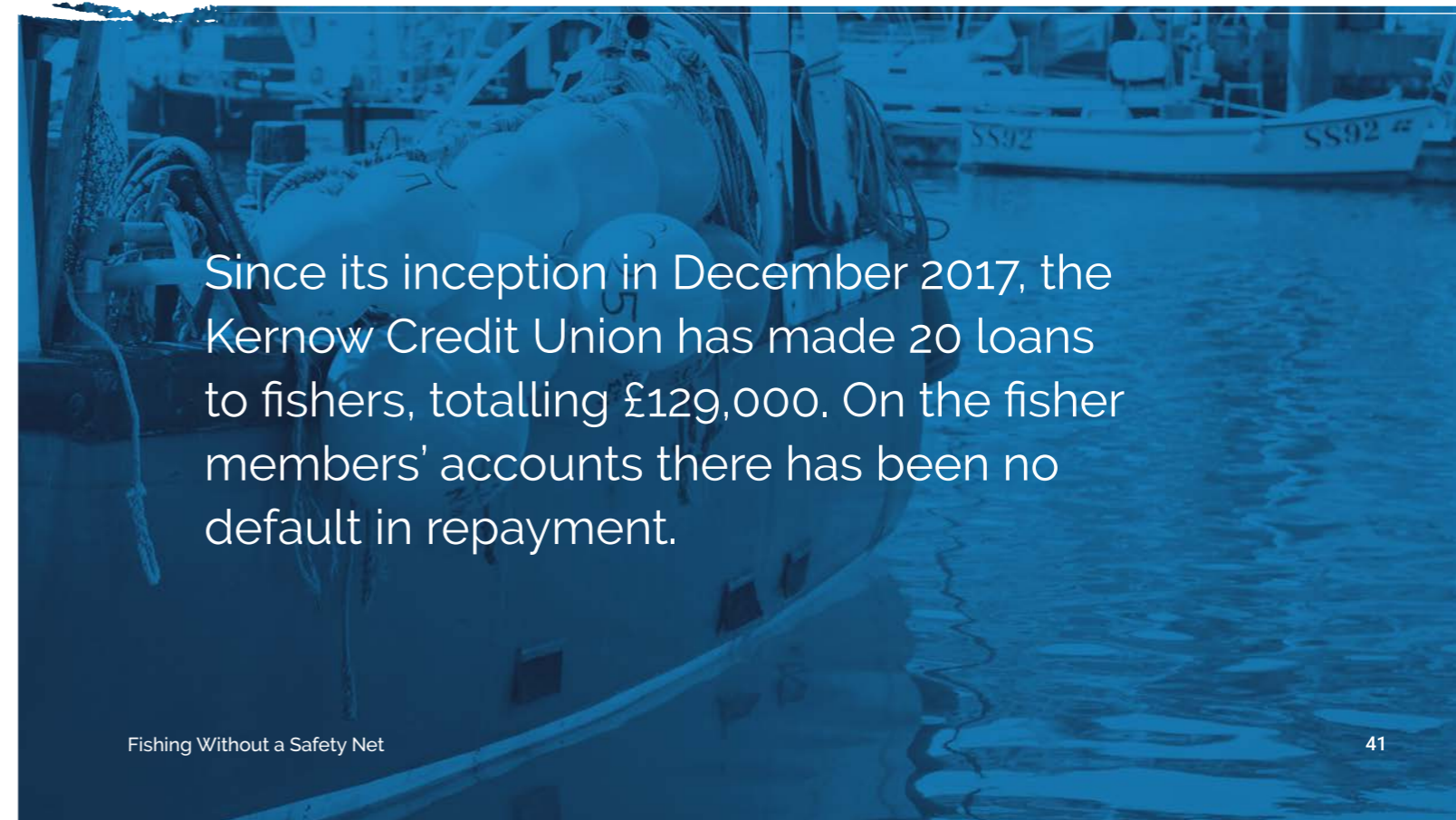
Together with three other cove fishers, and at the suggestion of the Fishing Animateurs, he approached the credit union for a loan to repair the wall. Through the local Fisheries Local Action Group, the EMFF had granted £16,000 as a contribution to the overall cost of £20,000 to repair the wall. Based on the EMFF grant letter, the credit union was willing to take the risk to lend £16,000 at a rate of 12.68% APR to the fisher,

who took the loan out in his own name even though the four fishers collectively considered themselves responsible for repayment. They were able to club together to pay the additional £4,000. The wall was then repaired by a local builder who was able to work flexibly to ensure that the works could be completed within budget.

Without the credit union loan, the fisher was clear that the sea wall may not have been repaired and the fishing income of four fishers would have been put into jeopardy. The loan was repaid to the credit union within just four weeks.

In Cornwall, the KCU loan scheme has been generally recognised as a success and as a significant help to some boat owners. Since its inception in December 2017, KCU has made 20 loans to fishers, totalling £129,000, the average loan being £6,400 and the mean £4,400. The largest loan was £16,000 and the smallest £1,200. All loans were charged at the same interest rate of 12.68% per annum. On the fisher members' accounts there has been no default in repayment and, up to now, no need to call on the loan guarantee fund as provided by Seafarers UK. Sixteen fishers have gone on to become standard credit union members, and now benefit from saving regularly in the credit union.

Admittedly the KCU is a small-scale scheme which is confined to Cornwall. KCU is by regulation only allowed to offer financial services to people who live or work in Cornwall. But the success of its service does demonstrate the possibility of developing a wider credit union offer that could be delivered nationally to all fishers. This would require the engagement of a credit union with greater capacity than KCU and which delivered services through modern electronic delivery channels. Fishers value KCU for its local, personal and face-to-face service delivered by volunteers they know and trust. Any larger credit union promoting a national offer would have to be one sufficiently skilled in offering a personal, member-focused service albeit through modern technological channels.



Since its inception in December 2017, the Kernow Credit Union has made 20 loans to fishers, totalling £129,000. On the fisher members' accounts there has been no default in repayment.

Financial capability and money management

In Newlyn, a small boat owner, who was directly involved in fishing, when asked what he thought was the main financial issue facing fishers, replied,

That's a difficult one, some fishermen are good at managing their money, and others spend and squander, made worse by the fact that fishing is feast or famine. With some you are just wasting your breath. One fisherman I know was earning about £32,000 a year, plus other money on top, but he paid no tax and could not save any money. Most of it went in the pub, not that he was an alcoholic, he wasn't, he was just very sociable.

I think for some of the wives and girlfriends, life can be very difficult. It's feast or famine for them too. I feel for them over Christmas, at the most expensive time of the year, there is no fishing and no money, and with the weather, maybe not into January. It can be a wretched Christmas break.

And then people must borrow and get into debt. Or go to foodbanks. It's hard to know but things seem to be getting worse. Those [fishers] who are sensible and who budget their money, they do alright. The ones that cannot, it's them that have the problems, they screw up.

Similar sentiments were expressed in many of the interviews with fishers in both Newlyn and Whitehaven. One fisher put it bluntly,

Nowadays you can manage on a fishing income if you are sensible, but I have a nephew in fishing who is an idiot, spends everything on drugs and drink.

Interestingly, there were many references to alcohol in the interviews and how the drinking culture among fishers was often a factor in poor money management. But, as in this quotation, there were references to drug use too as prevalent in the fishing sector. One fisher even argued that the introduction of random drug testing would reduce vessels in some ports going to sea by 70% overnight. Yet another fisherman said,

I have known people go bankrupt twice, lost houses and now in rented accommodation, caused by bad luck and the beer.

However, these are individual anecdotal comments arising during interviews. The existence and impact of substance abuse was not within scope and cannot be evidenced in this study.

Another boat owner explained more generally,

The problem is not always low wages, fishermen can earn quite good wages. It is the way people manage their money that is the problem. They don't seem to be able to plan or save or look after their money. Then they have nothing to fall back on.

As real-life evidence of what this boat owner said, the research team met a fisher who had lived hand to mouth all his life, even though he was making good money at times; he had not saved or planned for the future, nor paid his National Insurance contributions as required, and now was retired and struggling on a pension augmented with pension credit to bring it up to the minimum amount that the state considers possible to live on.

Of course, not all fishers face difficulties managing money. Many manage successfully, making ends meet, building a robust enough financial history to access a mortgage and establishing long-term savings to provide a pension. The research team spoke to one fisher, for example, who lived solely on his income saved from the year before. All current income is saved in a separate account and only spent in the following year, so he can plan his budget accordingly. He said that he makes good money in some months and nothing at all in others, so he saves to pay his Income Tax and National Insurance contributions and budgets for the following year.

It is relevant to recognise that difficulties in managing money and planning financially for the future are not unique to fishers. In its 2018 financial capability survey (MAS 2018a), the Money Advice Service estimated that 21% of the UK population rarely or never saved, that is some 10.7 million adults and 11.5 million adults (or 22%) who had less than £100 in saving. These were not all people on low incomes. Even though it is recognised that being on a low income does make saving much more difficult, nearly 20% of working-age adults with less than £100 in savings had a household income of £30,000 or more.

From the same survey, MAS also estimated that nine million adults, 17% of the adult population, borrowed money to buy food or pay their bills. 20% of these adults had a household income in excess of £50,000. Difficulties in managing money affects many sections of UK society.

Evidence from what fishers told the research team and from the analysis of the data held by the participating charities certainly built a picture of many fishers struggling to effectively manage their money.

As one fisher said,

It is terribly hard to save, your money is so intermittent; it is very hard to budget. You never know what is coming in, could be £12,000 one year and £25,000 the next.

The fluctuations in income, coupled with a lack of savings, can lead to a need to borrow; which can develop into problem debt. An analysis of the data held by the maritime welfare charities revealed that out of the 140 active fishers who approached the maritime welfare charities for help 88 (63%) were experiencing problems with debt. This number includes 61 fishers who were currently working, 50 were on sick leave, 25 who were not working (due to vessel/equipment repair) and four whose status was not recorded.

A closer analysis of the data reveals that debt problems were not just experienced by fishers who were not able to work for whatever reason. Debt problems were also experienced by the 61 active fishers who were continuing to fish and earn income. Of this number:

- 43 (70%) were in debt. 84% (n=36) of whom had some of the most difficult, priority debts relating to rent, Council Tax as well as Income Tax.
- 36 (59%) of the 61 active fishers required a one-off hardship grant to get them through a difficult period. The average amount awarded was £995.

It is also worth noting that out of the 140 fishers who sought help only 13 (9%) were a homeowner with a mortgage. Instead fishers are predominantly renting their homes from private landlords. In addition, out of the 84 retired fishers who sought help, only 13 (16%) had an occupational pension. These low numbers relating to housing and pensions provide an indication of the difficulty this group of fishers experienced not just in respect of savings, but building long-term savings to acquire assets.

Living on a share fisher's intermittent, irregular and uncertain income, having to manage the feast and the famine, as well as maintain accurate records to calculate and pay Income Tax, National Insurance and other insurances as well as make long-term plans for a retirement income, is not easy. In fact, it demands a greater level of financial literacy, capability and forward planning than is required of most employees in receipt of a regular, tax-paid-at-source wage. The problem seems to be that many fishers, good as they are at fishing, are not particularly, if at all, skilled in money management. Furthermore, for some, their level of basic skills further exacerbates their ability to successfully manage their financial affairs.

The lack of basic literacy and numeracy skills in the fishing community is a point that was highlighted in the *"Fishing for a Future"* report (Seafarers UK 2018) where it found that in almost 50% of the fishing ports in its research sample there were significant low levels of educational achievement. This reflected earlier research that also found that fishers often lack formal academic qualifications (Creative Research 2009). In this study, fishers and several of the stakeholders interviewed confirmed the fact that fishing is often attractive to people with more practical than literacy



or numeracy skills. This places share fishers at a disadvantage when managing their income and longer-term financial obligations such as Income Tax, National Insurance and saving for a pension. As MAS (2018a) highlight there is a significant link between confidence with numbers in everyday life and confidence in managing money and making financial decisions.

Financial capability is the ability to manage money well day-to-day, to make ends meet and to plan for the future. It depends on having skills, information and knowledge, but also, and perhaps more importantly, on appropriate behaviours, attitudes and motivations and, as noted by MAS (2018a), on connection to the financial system. Fishers in interviews repeatedly spoke about the financial culture of being a share fisher, of living from day to day, sometimes earning very large sums and being a big spender, sometimes struggling with next to nothing, seeking the support of charities and food banks. If fishers are to be supported to become more financially capable and resilient, it is behaviours, attitudes and motivations that need addressing, as well as more effective links to financial institutions and appropriate financial products.

Behavioural economists (de Meza et al. 2008) have argued that financial literacy education and information alone do little to change behaviour. They have challenged the presumption that when people are given information and knowledge about financial matters, they will respond rationally and change their behaviour in their own interests. However, life is just not like that. People may know intellectually that it is good to save in a pension plan, but they just don't do it. The alternative approach, as advocated by behavioural economists, is to alter the context in which people act and in which people are nudged psychologically to alter their behaviour.

In this new context, people are influenced by the people around them, by the messages they hear from friends and people they trust, they go with the flow of what other people are doing and in ways that make them feel better about themselves. How to alter the context within which small-scale coastal fishers operate is not easy and presents a significant cultural challenge. However, there may be a possibility of doing this with the introduction of a financial buddy scheme and within the context of a fishers' co-operative. This is discussed in Chapter 11: *The way forward – supporting financial resilience*, as one possible and feasible way forward to support fishers to enhance their financial stability.

It is worth noting, however, that an acceptance of the arguments of behavioural economists that financial literacy education alone has a limited place within behaviour change, evidence suggests that it still has an important role to play. The Citizens Advice (2012) *"Quids In"* financial skills training programme for social housing tenants showed how financial education was able to assist tenants to become better at budgeting, choosing financial products, saving and making their money go further in a way that persisted over time. However, it all depends on how such training is delivered, by whom and when. People are more receptive to financial education from trusted people they can identify with at key critical points in life, such as having received a tax demand from HMRC or taking on a new tenancy.

In fact, it is a point stressed by behavioural economists that, when it comes to financial behaviour change, individuals are heavily influenced by who communicates the information and by what others with whom we can identify do (Dolan, 2010). There may here be scope for the development of financial buddy schemes as explored by Jones and Barnes (2005) in relation to the Huyton Money Advice and Budgeting Scheme in Liverpool. A financial buddy is a community volunteer who has undergone a basic information course on financial and money management and who is prepared to share that information with hard-to-reach individuals in a range of community locations or wherever people meet. The volunteers are not money advisors but people who now have accurate information about financial matters and who are able to communicate this information through social and community networks. It is the kind of initiative that could be developed in partnership with frontline port based staff employed by the Fishermen's Mission, Stella Maris, the Mission to Seafarers and other maritime welfare charities in order to strengthen their ability and comfort in informally engaging with fishers about financial matters and money management.

Within the wider international fishing industry, financial literacy training for seafarers is beginning to be delivered. In May 2019, the Mission to Seafarers announced the launch of its new We Care financial literacy training programme occasioned by the rising levels of stress brought on by financial pressures; particularly among Filipino seafarers. This programme provides money management and budgeting guidance specifically geared to the lifestyle and situation of foreign seafarers. It may be a programme that could be replicated for UK fishers and their families.



The need for advice

As seen in Chapter 7: *Over-indebtedness and its impact on mental health*, the majority of fishers who approached SAIL (a bespoke Citizens Advice service for seafarers), were overwhelmingly seeking advice about financial problems. This differs from the localised Citizens Advice services which record most of their enquiries as requiring help with consumer issues (CA 2018). The SAIL data set identified 255 clients who were fishers, of these:

100 active fishers received money and debt advice, of these:

- 66 (66%) received advice on welfare benefits, and
- 57 (57%) for problem over-indebtedness.

72 ex-fishers received money and debt advice, of these:

- 48 (67%) received advice on welfare benefits, and
- 36 (50%) for problem over-indebtedness.

30 retired fishers received money and debt advice, of these:

- 24 (80%) received advice on welfare benefits, and
- 12 (40%) for problem over-indebtedness.

Welfare benefits advice mainly related to Universal Credit, Jobseeker's Allowance, Employment Support Allowance and Personal Independence Payment. The claims for Universal Credit and Jobseeker's Allowance may be an indication that a once active fisher was no longer able to earn their primary income from fishing.

Problems with Universal Credit featured large in SAIL's caseload, and as a proportion of total cases was increasing since it was replacing a number of other benefits at the time of the study. Fishers often found it difficult to claim Universal Credit, even if not working and receiving no income. The minimum 5 week waiting period before payment of Universal Credit means fishers, many without savings, would be left without a financial safety net for the period. The financial difficulties caused by the 5 week waiting period affects not just fishers but many in society. There have been calls for the waiting period to be reduced by charities such as Joseph Rowntree Foundation, Trussell Trust, Citizens Advice and Macmillan Cancer Support amongst others. For fishers it means that they would be without income for the whole five week period and driven back to the sea by the economic necessity of earning an income once again. Additional problems arise if a fisher has no savings or alternative financial reserves. As Universal Credit is often not available, rent arrears can begin to accrue; leading to subsequent housing debt problems.

Advice about Jobseeker's Allowance featured less as, in the regulations, fishers are now constrained in their eligibility for the benefit. Prior to the introduction of Jobseeker's Allowance one fisher recalled:

In the 1960s, '70s and '80s we used to buy a share fisherman's stamp that provided financial support for bad weather, injury etc. It was a common sight on bad weather days in the fishing ports to see long queues of fishermen at the Employment Exchange signing on for the daily benefit rate. It was a good safety net in hard times.

Share fishers are able to claim the new style Jobseeker's Allowance so long as they have paid Class 2 National Insurance contributions. But being eligible for a claim can be difficult as a fisher needs to be both available for work and taking reasonable steps to look for work. This requirement creates a problem for share fishers who cannot work on their regular boat as it is not going to sea because of the weather or it is being repaired. This is because if other boats are setting out to sea at the time on which, hypothetically, he could have applied for work then he will be ineligible to claim. This was often mentioned by fishers in interviews who felt their ineligibility for benefit while unable to earn an income from fishing because of the weather or the necessity of boat or equipment repairs was unfair. It is suggested that fisher's eligibility for the new style Jobseeker's Allowance is reviewed to ensure that it is capable of providing an effective safety net for fishers.

The high level of accidents and physical illness occasioned by fishing was exemplified in the number of fishers, working or not, seeking support with Employment Support Allowance and Personal Independence Payment.

Debt problems were concentrated in the area of priority debts. Debts for rent, Council Tax, Income Tax and to utility companies are all priority debts. This term is used for debts identified as a priority for repaying above non-priority debts. This is because unpaid priority debts can result in serious action being taken against the debtor, including losing their home or imprisonment. It was indicative of the extent of financial vulnerability of the fishers approaching SAIL that the majority of their individual debt problems were for priority debts.

Most significant debt categories	Percentage of all debtors
Rent Arrears	33%
Council Tax	33%
Income Tax	24%
Credit Cards	22%
Utility Companies (Electric, gas, water)	13%

NB: The table does not add up to 100% as fishers typically experience problems with debt in more than one category. Other debt categories experienced by less than 10% of all debtors are excluded from the table.

In contrast, 28% of all debts dealt with by SAIL were non-priority debts for unsecured consumer credit, such as bank loans, credit cards, sub-prime loans, store cards and overdrafts. Other debts featuring in the data base were debts on court fines, benefit overpayments, Child Support Agency, mortgages, and TV Licence, as well as loans to family and friends.

The information contained in Case Studies 1 to 5 illustrate the lived reality of those fishers who approached SAIL and the other charities for advice and support. All the names and locations have been changed to assure anonymity but the stories are real and presented without embellishment.

The stories of these five fishers reveal the financial hardship and insecurity experienced by many people in the fishing community. They highlight how the precarious nature of working in fishing can cause insecure and volatile incomes which impact on household income and can quickly lead to severe over-indebtedness. They demonstrate the importance of raising awareness of the availability of free money and debt advice services for fishers that is available from the maritime welfare charities and how this can make a difference in helping to restore financial stability.

But they also make clear how the welfare benefits system alone is often unable to respond adequately to the unique nature of employment in the fishing industry. The benefits system emerges as just not agile enough to respond to the nature of share fishing as a form of self-employment. This leaves those in need without an adequate safety net when they are at their most vulnerable.

Case Study One

Steve trying to cope on his own

Steve had been a fisher for around twenty years in North Wales on his own boat. His boat engine had broken, and he could not afford to pay the cost of repair work. He had no savings and was waiting for a Welsh Government grant to be approved to enable the work to be completed. After the area was hit by a bad storm, Steve also lost a considerable number of fishing pots which he needed to replace.

At the time he approached SAIL, Steve's financial circumstances were difficult and had led to him feeling stressed about his future. He had no savings and was surviving on working tax credits and using credit cards to pay for essentials. Steve struggles with his finances and finds completing forms a challenge. Previously his ex-wife completed all his paperwork and knew his financial circumstances, leaving him with more time to spend at sea. Now their relationship has ended, Steve is without this support and was unable to give accurate figures for his income and expenditure. He also missed the tax return deadline and was issued a fine.

Steve had also built up arrears with his water bill. Some of the debt had been passed to a debt collection agency who informed Steve that they would be sending recovery agents to his home.

Steve was visited by a support worker from Fishermen's Mission who went through his circumstances and referred him to SAIL for advice. SAIL advised him about his rights with bailiffs and offered in-depth debt advice. However, Steve had yet to send in the paperwork requested by SAIL in order to begin advising him and helping him to sort out his debt problems.

This means that the grants and financial support directly offered to fishers and their families by the Fishermen's Mission, the Shipwrecked Mariners' Society, and the Seafarers' Hospital Society become essential to sustain fishers when the state fails. (TFM 2017; SMS 2019; SHS 2018). In a number of the case studies, the complementary nature of money and debt advice and financial support via a grant is revealed as having a significant impact in restoring a fisher back to a position of financial resilience.

In many ways these stories speak for themselves. The story of Steve (Case Study 1) exemplifies how a lack of financial capability and planning can make matters worse and how fishers often rely on a wife or partner for support with financial matters. His case illustrates how common it is for a wife or partner to manage the household income. This was a point also made in the "Women in Fisheries" project report (2020) based at the University of Exeter which, whilst highlighting the multiple roles undertaken by women in the fishing industry, stressed that the supplementary income women earn is often essential to balancing the ebb and flow of their partner's earnings from fishing.

The story of James and Louise (Case Study 2) illustrates how often fishers and their families can be priced out of the local private rental market as incomers buy up quayside properties and second homes and tourists are charged much higher rents for short term summer lets. Not only does this make it more difficult for fishers to be able to access their boats but importantly, it splits up fishing communities and the close network of mutual support that such communities were able to provide, not only for the fishers concerned but also for their wives and partners who are often left alone for long periods whilst the fisher is at sea.

In Case Study 3, from his working pattern, it is a reasonable assumption that Daniel is working on a large vessel in the deep sea which is likely to be achieving a profit through the large-scale commercial activities of its operations. Most of these larger vessels are company owned and arguably, could and should provide a salary rather than a share, as their catches tend to be regular and substantial and often they have a large, corporate structure with human resources management capacity and payroll processes to support standard employment contracts. Although some argue that there is greater earning potential from being a share fisher instead of an employee on such vessels.

Case Studies 4 and 5 illustrate in further detail the difficulty of living on a share fisher's income and the importance of the support offered by the maritime welfare charities. In many ways, the stories of Dave and George speak for themselves.

Case Study Two

James and Louise left with no income

James and his partner Louise live in Cornwall where James works as the skipper of his father's boat. They have a small baby. The couple are renting a private property which is a winter let only – with the summer approaching the landlord wants to rent the property to tourists at a higher price. They are on the local council's housing list but are not in the highest priority banding, therefore they are looking at private rentals. These are usually more expensive than social housing and with less security.

James' boat has suffered over the winter due to the Marine Management Organisation (MMO) unexpectedly reducing his fishing quota. He had also struggled due to bad weather and poor catch. This has left them with no income as Louise's statutory maternity pay had finished. The couple did have a small amount of savings but most of this has been spent on necessary items for the baby. They have fallen behind with several payments including rent and Council Tax.

James is aiming to get back to sea as soon as possible and predicts an upturn in his finances once the crabbing season begins. With the support of SAIL, he applied for Child Benefit and Universal Credit for support in the meantime.

Case Study Three

Daniel facing the bailiffs

Daniel is a share fisherman who lives near Hull. He is temporarily staying at his parent's house after his relationship broke down. He has two children who live with his ex-partner.

Daniel works away at sea three weeks on/ three weeks off, which makes it difficult for him to keep track of regular payments. He has debt with his telephone provider and has unpaid parking tickets and a court fine. His total debt is approximately £3,500. He has taken out various loans – with his bank and high interest loans with a payday loan and a doorstep loan provider.

His income is declared as around £250 per week – however he worked an average of 84 hours per week. This would be far below minimum wage if Daniel was a contracted employee.

After bailiffs visited Daniel's home, the Fishermen's Mission paid a grant to cover the emergency debt, of approx. £400. SAIL helped Daniel by communicating with the bailiffs on his behalf and discussing his options regarding the debt. Due to Daniel's work pattern, he decided to set up a debt management plan with StepChange. This meant that he could make one monthly payment and have this shared between his creditors.

Case Study Four

Dave's exhausted savings

Dave is single and lives in private rented accommodation in Northern Ireland. He has been a fisherman for 24 years. He has a child he sees on weekends and pays maintenance to the child's mother when he has income from fishing.

As a share fisherman, Dave's earnings vary depending on the boat's catch. He has had some profitable days in the past and has tried to save some money for weeks when his income will be lower. An unusually long spell of bad weather and problems with crewing his boat meant he could not fish and Dave's savings were utilised more than he anticipated.

Dave's family had been helping him by paying for basic food and essentials, but they could only cover so much. This led to him falling behind with his rent and building up over a thousand pounds of arrears.

Dave realised that his situation was becoming unmanageable and the threat of eviction led to him feeling very stressed. He reached out to his local Fishermen's Mission who immediately provided him with a food parcel and completed a grant application form. The application was successful and Shipwrecked Mariners' Society and Seafarers' Hospital Society both contributed grants towards paying off Dave's rent arrears.

The Mission also referred Dave to SAIL for advice on debt and benefits. Dave was very proud and had never claimed benefits before, so his SAIL advisor explained his options. Dave put in a claim for Universal Credit which would also help cover some of his rent. As Universal Credit has a 5 week waiting period before money is received, the SAIL advisor recommended he request the Contingency Fund available in Northern Ireland – this provided a grant to cover his living costs before he received his first instalment of benefit.

Case Study Five

George's electricity arrears solved with the support of a charitable grant

George lives on a Scottish island. He has a considerable amount of fishing experience, having worked as a fisherman for over 50 years. Despite being over 70, George owns a small boat which he still uses for fishing. Due to health problems and poor weather, he hasn't been able to go fishing recently and the cost of maintaining the boat is higher than any profit he makes. The area is also remote, and he often struggles to get phone reception which makes communication difficult. George's current income is a state pension and an amount from a private pension he paid into over his working life.

As George lives in an area with no public transport, a car is a necessity. Recently his car broke down and with no savings, he had to borrow money from a friend to buy a replacement. Luckily his friend had been understanding of his circumstances and had not yet asked him to make repayments.

George lives in an old cottage which he owns outright. The property's windows were old and partly rotting away, meaning that it was difficult to keep warm over the winter. George's electricity bills increased dramatically and became unaffordable. He was interested in having a smart meter installed in his home so he could view the amount of energy he was using but was told this wouldn't be possible due to his remote location. He struggled to afford the cost of the electricity bill and built up arrears.

After SAIL submitted grant applications on his behalf, his electricity arrears were paid off by a grant from Shipwrecked Mariners' Society who also awarded George with a regular grant. This grant is a regular weekly payment of £15 which augments the income of people who have a low income and are struggling to make ends meet.

A grant was also awarded by Seafarers' Hospital Society towards the cost of new windows. The local authority also awarded him a grant towards the windows and for insulation.

SAIL also completed a benefit check for George and advised him he was entitled to an amount of Pension Credit and Council Tax support. He also talked with his adviser about budgeting and decided to investigate ways of reducing his expenditure, such as moving his boat and negotiating his internet package.

With these changes George was able to improve his financial circumstances and prevent himself getting into future debt.

The way forward – supporting financial resilience

This study arose out of a concern that a significant number of fishers were experiencing, or had experienced, financial detriment arising directly from the precarious work and fluctuating incomes inherent in the business of fishing. Of course, this is not true of all fishers. Many in the industry were making, or had made, a good living from fishing with some reaping high-level returns. Yet there were indications already recorded in the study *“Fishing for a Future”* (Seafarers UK, 2018) and confirmed by reports from maritime welfare charities that many small-scale coastal fishers were finding it hard to make ends meet and at times even suffering severe financial hardship.

Through the study a picture emerged of many small-scale coastal fishers failing to secure a regular income to meet their basic needs. Sometimes this was because the income from fishing was insufficient but at other times it was because fishers found it difficult to manage the fluctuations of their income effectively. Crucially, many without savings and long-term financial plans, lack access to a safety net and are dependent on charitable support at the most difficult times.

The aim of the study was to enable maritime welfare charities, as well as Government and other agencies, to better respond to the financial situation and needs of fishers. This chapter explores the key themes emerging from the study that lead to the final recommendations.

Money and debt advice

The need for effective outreach money and debt advice services for fishers surfaced strongly in the data and discussions. With the financial support of Seafarers UK, and based on evidence arising from the study, SAIL was able to target the fishing community more directly with bespoke information to raise awareness of its advice services and to appoint a Fishing Specialist Caseworker for the first time. The post holder is able to focus on more targeted awareness raising and delivering a money and debt advice service to fishers. This has led to a significant increase in the number of fishers contacting SAIL for advice and support.

In the three months to December 2019, SAIL advised 72 new fishers attracted to the service through its specific outreach into the fishing community. This was double the average quarterly number of fisher clients as calculated over the previous twelve months. This number doubled again to 141 new fishers during the three month April-June 2020 period of the COVID-19 lockdown.

The increase in fishers seeking advice from SAIL, arising from increased promotion, targeted imagery and awareness raising of services through this study, is testimony alone of the need for greater awareness about the availability of free money and debt advice services within the fishing community. The provision of information and advice enables fishers to access state and charitable resources that can help to maintain their financial resilience.

Access to grants

The importance of individual hardship grants to fishers in need surfaced strongly in the study. The collaborative interventions of the Fishermen’s Mission, the Shipwrecked Mariners’ Society and the Seafarers’ Hospital Society to support fishers financially were all explored and discussed.

The need for charitable support arose as a consequence of the absence of an effective safety net provided by the state and a lack of individual long-term planning for unforeseen difficulties (such as ill health, boat and equipment repairs, inclement weather as well as market disruption). In the interviews, fishers who had received grants in times of difficulty reported how much they felt supported by the maritime welfare charities. Some fishers in Newlyn, for example, described how some fishing families had depended on financial support at Christmas when it was impossible to earn an income from fishing because of closed markets over the extended holiday period. Others spoke of the critical importance of support provided by hardship grant awards during the storms of 2014. Some fishers made the point that hardship grants are crucial as share fishers find it difficult, if not impossible, to access welfare benefits when unable to fish and earn an income.

The need for a safety net

However, the way forward in supporting the financial health and resilience of fishers, goes way beyond the greater and more accessible provision of money and debt advice services and grant support during hardship. Firstly, fishers need to take responsibility for making their own long-term financial plans. This needs to be supported with a benefit system that is responsive to the irregular employment of a share fisher.

In many ways, share fishing has many similarities with other precarious workers operating in the gig economy. Share fishers are a self-employed group of workers who are vulnerable to factors outside of their control in respect of their ability to earn income. Crucially, such workers lack the important protections and benefits taken for granted by contracted employees; e.g. a regular salary, entitlement to sick

and holiday pay, National Insurance and pension contributions as well as PAYE tax deductions at source. They also struggle to obtain flexible welfare benefit support capable of smoothing out an irregular earning pattern.

It has not always been this way. According to interviewed fishers, there was a time up to the 1990s when fishers who had paid the “fisherman’s stamp” in respect of National Insurance contributions were able to go down to the equivalent of the DWP office and sign on for a daily payment to help them get by. According to fishers, it was not a great deal but it was something. The existence of this welfare safety net to support fishers has been gradually eroded with the progressive reforms of the welfare benefit system which, as one fisher noted,

“It does not fit with the fishing industry or any seafarer really.”

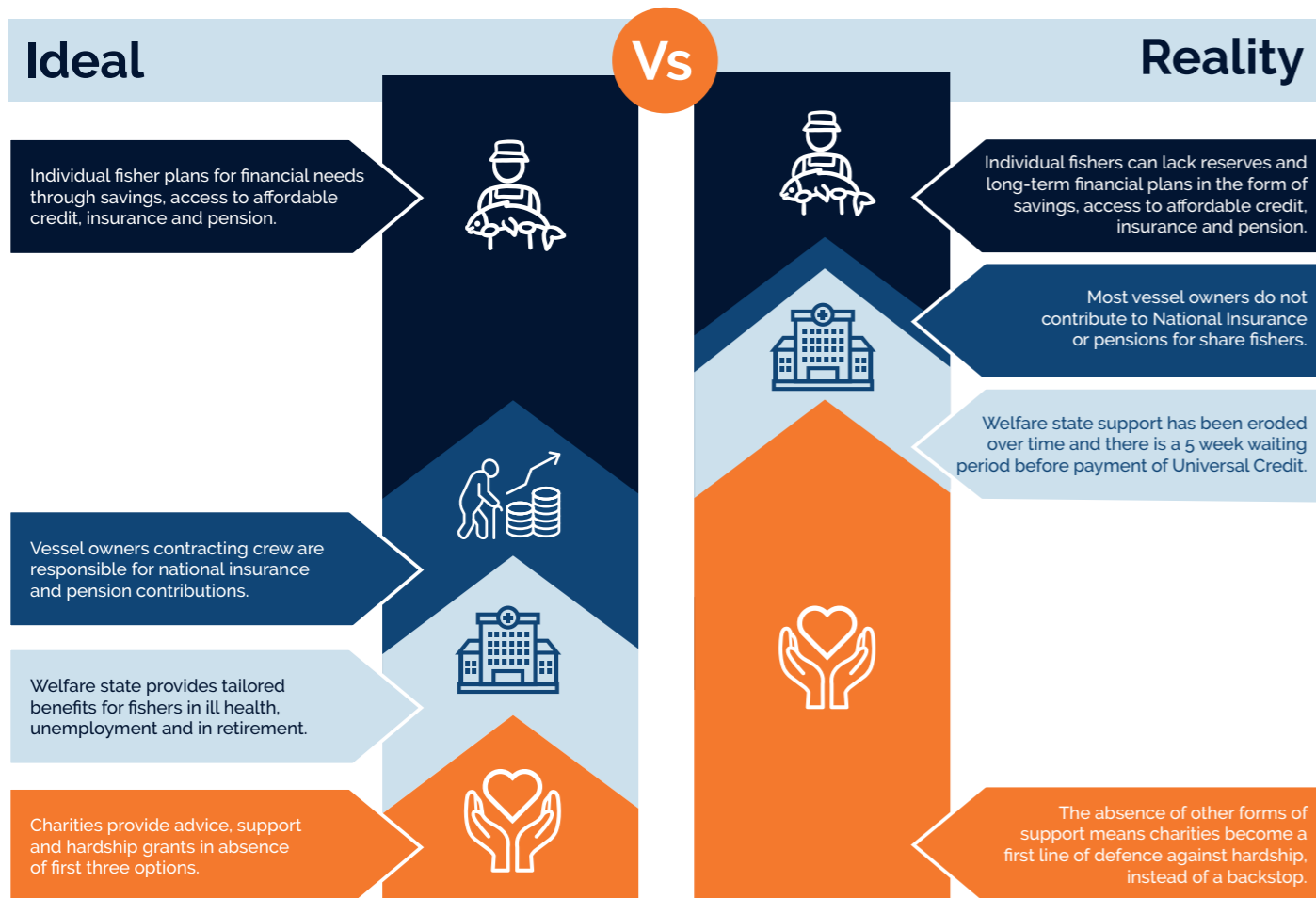
One skipper added an interesting reflection to the lack of welfare benefit support for fishers and the consequence on the individual and his crew. In his own words,

“But another point on this is - what if the skipper gets injured? The boat stays in harbour and the crew receive zero wages. When I injured myself, I was in that position, with five crew members relying on me for their wages. I had no option to return to sea two weeks after my accident and attend hospital operations as I could. That's the issue just now, there is no welfare system in place that's tailored to the needs of fishermen or seafarers in general.”



In the study, the failure of the welfare benefits system to provide an effective safety net for share fishers was often highlighted. However, there is another perspective on this. In *“Beneath the Surface: Labour Vulnerability in the UK Fishing Industry”* (Carpenter et al.2020), the New Economics Foundation (NEF) argues that, if fishers are to be assured of real financial security, they require the protection of a regular and guaranteed income.

Who is responsible for providing a safety net?



Promoting collaborative working focused on fishers

Emerging from the study is the importance of collaborative working between maritime welfare charities. SAIL, the Shipwrecked Mariners' Society and the Seafarers' Hospital Society collaborate together to offer support to fishers in need through money and debt advice from SAIL and individual hardship grants from the other two charities. Together with the Fishermen's Mission and the Fishing Animateurs, who refer fishers in need to these services, these maritime welfare charities work closely together and help some of the most financially vulnerable fishers in the country.

For example, if SAIL was not able to access welfare benefits for a fisher, it would refer to one of the grant-making charities for a one-off hardship grant. Conversely, many of SAIL's clients came through referral from one of the maritime welfare charities who want to ensure that those experiencing hardship are obtaining all the support and welfare benefits they are entitled to.

It is true to say that before this research study, other than Fishermen's Mission, the services of the maritime charities to fishers tended to be amalgamated within a more generalised service to seafarers. The specific needs of UK fishers were not particularly singled out or responded to strategically. The process of the study has helped to highlight the specific needs of fishers, and even before the conclusion of the project, the participating maritime welfare charities had begun to focus more clearly on fishers as a distinct group with differing issues and needs arising from the nature of their employment.

Financial education and money management

As explored in Chapter: *Financial capability and money management*, one way forward in supporting share fishers, including boat owners, in the coastal fleet to achieve financial stability and resilience is to offer educational interventions aimed at strengthening financial capability. However, it is recognised that formal teaching and learning may be inappropriate. Hence the discussion in that chapter of a financial buddy scheme as previously explored by Jones and Barnes (2005).

There have already been several interventions to assist fishers in money management, such as the Share Fishermen Scheme organised by HMRC which was a voluntary scheme to help share fishers to budget for Income Tax and National Insurance contributions. However this scheme was terminated on the 31st January 2020 due to low take up of the scheme and the fact that the bank accounts offered by the scheme to administer funds were deemed to no longer meet banking regulations.¹⁷

The low take-up of the scheme is disappointing as it had potential to benefit fishers budgeting for their taxation obligations. It has been previously been recognised that time pressures and literacy skills make fishers a difficult group to communicate with (Seafarers UK (2018)). This means greater outreach efforts utilising trusted frontline champions, more innovative communication methods such as Twitter and the Fathom Podcast produced by the Cornish Fish Producers Organisation, and awareness-raising campaigns are vital to communicate important information that has potential to benefit fishers and their communities.

¹⁷. Share Fishermen: Taxation: Written question – 270381. www.parliament.uk



There is clearly scope for maritime welfare charities to support financial education programmes and adopt an existing package of 'train the trainer' type of financial education sessions for those working on the frontline alongside fishers (for example: Fishermen's Mission, Stella Maris, Mission to Seafarers, Fishing Animateurs, harbour masters and others) or offered through local agencies and perhaps even with the support of the churches.

The Archbishop of Canterbury's Just Finance Foundation has pioneered outreach and engagement programmes to equip organisational staff and volunteers to identify people showing signs of financial distress and to support them with appropriate guidance and support. Its *"Cash Smart, Credit Savvy"*¹⁸ programme is designed as an early intervention to prevent the financial challenges people face becoming a crisis. It improves financial well-being by increasing confidence and skill in making informed choices about money and has been successfully delivered by community activists in many low-income communities throughout Britain. Maybe this or a similar programme could be adapted for use in coastal fishing communities. It is a programme that could be linked with a financial buddy scheme as previously articulated.

As already noted in Chapter: *Financial capability and money management*, there are also lessons to be learnt from the Mission to Seafarers' We Care financial literacy training programme, currently delivered for the benefit of Filipino fishing families; that could be adapted and applied throughout the UK fishing sector.

One practical possibility could be to include financial education and guidance in the outreach focused Seafit Programme (SHS 2019), a joint initiative funded by Seafarers UK and delivered in partnership by the Seafarers' Hospital Society and the Fishermen's Mission. It aims to "deliver sustainable improvements in the health and well-being of fishermen and their families around the UK"¹⁹. It offers a range of free services delivered at the fishing port, including health checks, dental checks, mental health and well-being support and, in some regions, physiotherapy. The addition of a financial health check within the programme would help to support enhancements in financial budgeting and money management.

18. www.justfinancefoundation.org.uk/our-work/capability-and-access

19. <https://seahospital.org.uk/seafit-programme/>

Critically, dealing with financial problems can target the root cause of many mental health problems.

But, as argued in Chapter: *Financial capability and money management*, financial education alone, however well organised and targeted, cannot by itself be the solution to the financial detriment experienced by many share fishers. Not only would it be very difficult to engage fishers in discussions about finance but, as the behavioural economists have shown, knowledge and information alone does not change behaviour, drivers for change are a complex combination of mind set, attitudes, skills, motivations and opportunities (cf. MPS 2019). Hence the importance of engagement in such interventions as the informal financial buddy initiative and campaigns which can help to drive cultural and behavioural change.

A UK Fishers' Co-operative

For fishers in the small-scale coastal fleet, there may be potential to introduce an innovative mechanism that could provide fishers with the stability and security of income they may desire.

There have been some early discussions in the sector about the creation of a member-owned fishers' co-operative into which fishers could pay their income and receive a regular monthly payment based on an annualised forecast of past performance. In return, the co-operative would be responsible for managing and disbursing all payments for its members in respect of Income Tax and National Insurance. In effect, providing a PAYE function for self-employed fishers.

In addition, it could be possible for the co-operative to provide their collective membership with access to a regulated credit union which as well as enabling budgeting for tax and National Insurance can provide a savings and affordable loans facility. There may also be other financial benefits that could be made available from group purchasing regulated financial products from other financial providers such as critical illness cover, life assurance, income protection as well as access to longer-term savings products such as an annuity for a pension. Other financial benefits may be possible from bulk purchasing equipment and items necessary for the business of fishing.

Furthermore, there is also potential for the co-operative to provide a mechanism, similar to many agriculture co-operatives, for shared marketing and selling of the catch – thereby enabling fishers to have more collective bargaining power at market as price makers instead of their current position as price takers.

Such a co-operative would need to charge fees, but as a fisher-owned entity operating as a not-for-profit for the benefit of its members it could ensure fees are kept low and affordable. There are clear advantages to fishers of regularity of income, reduced administrative burden for taxation as well as access to a range of more affordable financial products to support their longer-term financial resilience than they could purchase independently. Furthermore, the establishment of a UK fishers' co-operative has the benefit of enabling fishers to retain the autonomy and independence which is so prized by fishers. It becomes a 'share fisher plus' approach which has the added benefit of providing a mechanism to strengthen their collective bargaining power and increase their power in the market, and hence increase their financial resilience.

The idea of a fishers' co-operative was proposed by NEF in the paper already mentioned (Carpenter et al.2020). NEF argues that a fishers' co-operative could combat "financial vulnerability by providing an essential safety net for fishers in times of little or no income, enabling them to make financial plans, and ultimately preventing them from slipping into destitution". It maintains that a fishers' co-operative could bring resources and economies of scale to the industry, both in terms of financial services and in relation to other possibilities of group purchasing of financial products and fishing equipment.

NEF envisages that such a co-operative would follow a model provided by agricultural co-operatives as promoted by Co-operatives UK (2016). This study has concluded that there is a need for such a structural intervention which could hold out the possibility of real change to strengthen fishers bargaining power and enhance their financial resilience. Such an initiative would require an initial sponsor willing to put in the resources needed to take forward an exploration and development of this innovative idea. However, if this was supported and promoted throughout the sector and fishers gained confidence in, and familiarity with, what it could offer, it could enable access to appropriate financial services in an institution they could relate to, as both customers and owners. It would also support them to develop

the behaviours and attitudes that underpin long-term financial capability and resilience.

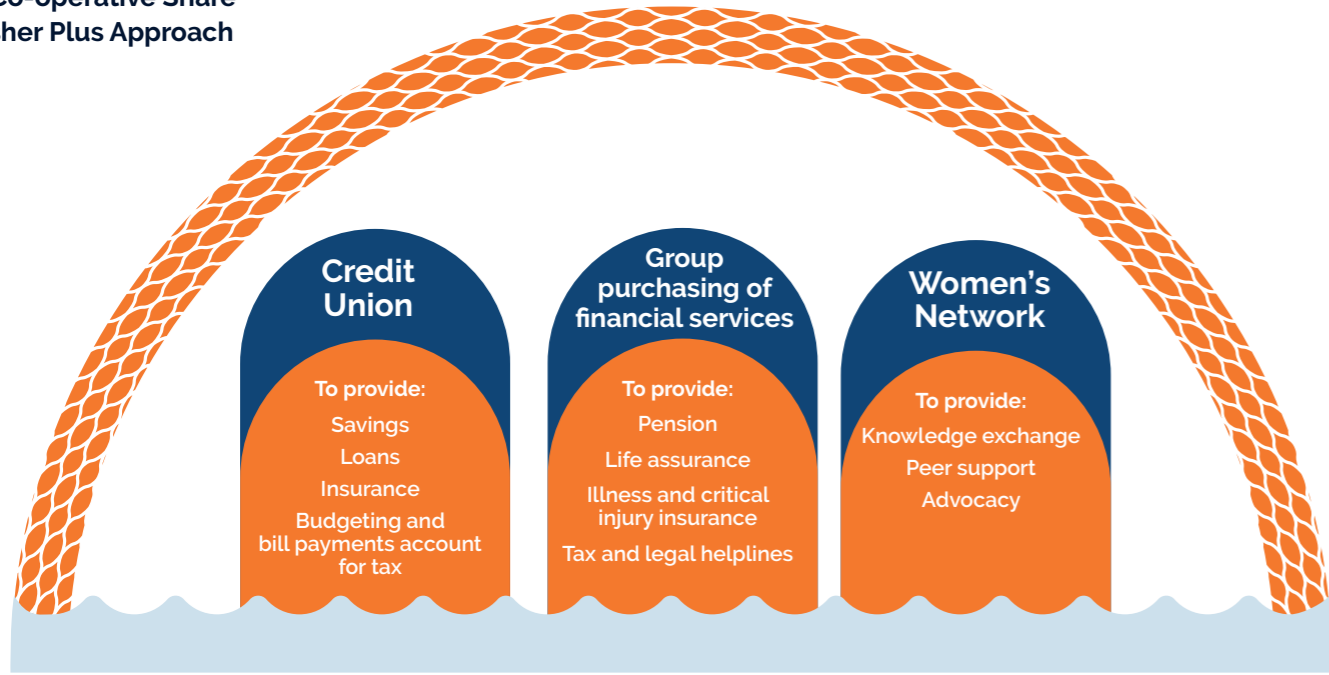
However, such aspirations for a co-operative may be difficult to deliver without significant uptake. For such an approach to be successful will require an ability to convince fishers of the benefits and desirability of such a co-operative mechanism for strengthening their financial resilience. This may not be easy as many fishers are not natural co-operators. In addition, the very nature of their work is operated within a risk culture which accepts coping with the major risks of the sea and the weather. It is recommended that a charity such as Seafarers UK, as the originator of this research, acts as the sponsor of this new co-operative and take forward an initial feasibility study to consider the implications of developing a UK fishers' co-operative as well as to test the appetite for such a mechanism and approach amongst UK fishers.

As pointed out by MAS (2018a), financial capability and well-being depend on a certain level of confidence and a sense of control. Perhaps it is the uncertainties and unpredictability of fishing that contributes to a sense of a lack of control and thus engenders a culture of living for today. If a fishers' co-operative was developed as member-owned structure and was accepted generally throughout the fishing community it could help perhaps to introduce a cultural change into the sector which gives fishers control over their finances, enables them to make longer-term financial plans and focus on the long-term.

To do this, the co-operative would need to be linked to a regulated deposit taker and offer people the opportunity to save, as well as the opportunity to access credit. Both could be achieved, through a partnership arrangement with a credit union which can also manage bill payments.



A Co-operative Share Fisher Plus Approach



The promotion of saving is particularly important. Sheradden (1991) and many since (MAS, 2018a) have stressed saving, even smaller amounts, engenders greater long-term thinking and financial planning for the future. But everything depends on capturing the interest, motivation and the engagement of fishers in the potential of such an organisation.

“
Simply teaching skills and imparting knowledge won't encourage people to save unless we can also win hearts and minds; that is encourage them to think about future savings goals and to believe that they are achievable.
”

MAS 2018a

For share fishers, on a fluctuating income, the ability to save is fundamental to their financial health and resilience, as was exemplified by fishers during interviews.

Through and even prior to this study, Seafarers UK and others have also recognised that personal and business financial management support must involve access to affordable credit and the ability to save. Without affordable credit, many small-scale boat owners faced financial detriment as they were unable to access the EMFF grant programme that existed at the time, and will be unlikely to access the post-Brexit Maritime and Fisheries Fund (MFF) programme operating since leaving the European Union. The study highlighted the success of the Kernow Credit Union Ltd EMFF loan product and the way in which it was able to support and enhance the financial resilience of fishers. The study also threw light on the need of individual fishers for personal credit to smooth out the ups and downs of their fluctuating income.

In respect of encouraging savings and providing access to both business and personal credit, this study considers that the idea of linking a national credit union to the fishers' co-operative would be both feasible and advantageous to all. The credit union would need to be one with significant organisational capacity, modern systems and reach to serve all fishers. However, given that credit unions already serve the Royal Navy on a national basis²⁰ albeit through payroll deductions, serving fishers and those associated with the fish catching and processing sector as a defined occupation group is undoubtedly a possibility worth exploring.

20. <https://creditunion.co.uk/landing/armed-forces/> : <https://forcesfinance.org.uk/>

Evolution of the share fishing model

In discussions through this research, even though the share fishing model was valued by most fishers, there were some industry representatives who considered that it was the model itself that, in too many cases, caused structural financial vulnerability and instability. They argued for radical reform. Significantly, it is the lack of collective organisation and representation that leaves individually dispersed and divergent fishers coping alone with little collective bargaining power to improve their situation. They maintained that, where possible, the future must be some form of employment model, which offers a regular salary and the protections and benefits afforded to employees. This may be attached to a bonus system related to the profit arising from the catch, thereby offering an opportunity to bring together the benefits of both the share and employee model.

The call was first directed to the larger corporate companies operating larger vessels that mostly engage UK fishers as share fishers. In contrast, in the offshore fleet, they employ many more non-UK nationals on employment contracts, organised through overseas recruitment agencies²¹. Often the rates of pay offered to foreign fishers would not be acceptable to UK crew. However, they argued that, there is no real reason why larger companies either operating offshore or in coastal waters, could not offer all fishers a work agreement that would enable them to achieve financial stability. Indeed the International Labour Organization Work in Fishing Convention 188 makes it a legal requirement for there to be a work agreement in place. Much of the larger inshore fleet, especially the over 15 metre boats, have enough weather resilience and catching capabilities to maintain a reasonably secure level of income over the course of a year.

Indeed, some commercial companies, for non-UK fishers, do augment a fisher's income through having employment models that include a bonus depending on the amount of the catch. This is the kind of approach that could be expanded to UK crew members, offering fishers a basic income augmented by a catch bonus as a reward for the effort expended. However, in the interviews with stakeholders, even

21. In 2017, around 10% of fishing jobs in a Seafish survey sample were filled by citizens of other EEA/EU Member States and 13% of jobs were filled by citizens of non-EEA countries (Seafish 2017).

though the potential benefits of an employment model were accepted, there seemed to be little appetite from stakeholders associated with larger companies to move in that direction for UK crew.

Admittedly, it is challenging to introduce an overarching reform of the crew payment system, given the huge variance in income between vessels of the same or similar sizes, and the difficult of assessing with confidence the size and market value of a catch prior to actually catching the fish. There also seemed to be a reluctance to take on liability for the payment of share fishers' Income Tax and National Insurance as it would be complicated to manage, given the turnover of fishers on any one larger vessel, and therefore a significant cost to the business. But, it was argued by some, surely such problems could and should be overcome as it must be possible, albeit difficult, to assess the forward income of a vessel over a period in order to commit to pay out a basic wage irrespective of catch on any one trip.

This research reflects that a few stakeholders expressed a suspicion that some of the larger vessel owners, whilst complaining that they have no choice but to use cheaper tied foreign labour, have no real interest in employing local UK fishers on a fair wage, augmented by catch bonuses, as non-UK crews provide them with a cheaper locked-in workforce. This is a workforce that because they live aboard the vessel have the added benefit of being available 24/7, and not late or unreliable through drink or drugs or other issues that local fishers may face. It was argued that some vessel owners could provide a fairer and more regular payment system for UK fishers if they chose to do so. As Daniel's case study illustrates, there can sometimes be a disconnect between the needs of the crew and the profits of the owners.

Those in the small-scale coastal fleet also expressed little appetite to move away from the share fishing model, given they perceived no alternative apart from regular employment. It is possible, but no way certain, that recognition of the inherent disadvantages within the share fisher model may cause this view to change once the benefits of a co-operative 'share fisher plus' model are considered. However, fundamentally, it is important to recognise that many genuinely 'small-scale' fishers simply do not have the financial capacity to offer a wage to crew members instead of a share of profits.

The creation of a fishers' co-operative has potential to significantly evolve and modernise the share fishing model to the advantage and benefit of all fishers involved through a collective and fisher-owned solution. It could offer an evolution of the perceived benefits of share fishing by providing a mechanism to manage and control the fluctuations of income and expenditure and reduce the burden of paperwork. It could be so designed as to give fishers a regular minimum monthly income in order to avoid the feast or famine experience as related by so many fishers. Thereby providing a real fisher owned independent safety net for fishers and their families during difficult times.

The bigger picture – the development of an action plan for the sector

Beyond the focus on fishers' access to financial products and services, and to money and debt advice, the study could not help but reveal and focus upon the bigger picture, and the wider challenges within the fishing community that impact on fishers' personal and business finance. The wider social, political and economic context of the small-scale coastal fishing fleet and the coastal communities within which it operates was the backdrop against which the financial health and resilience of fishers and their families had to be explored. Within this, there is a huge range of factors causing financial distress to fishers, including:

- The impact of fishing opportunities,
- The allocation of quota,
- The availability and operations of markets,
- The response to climate change and the disappearance of species from traditional fishing grounds,
- Overfishing of non-quota stocks,
- The lack of investment in and financial support to the small-scale coastal fleet (in comparison to that given to farmers),
- Ageing vessels, often handed down through generations,

- The sometimes out-dated and unsafe infrastructure at local authority owned fishing ports,
- The failure to attract young people into a fishing career (including the dearth of apprenticeships in the sector), and
- The inadequacy of the welfare benefits system to support share fishers through hard times.

All these factors are colliding to undermine the longer-term financial stability, health and resilience of fishers.

Many fishers and stakeholders in the sector express dismay that the interests of fishers seemed to be represented by the large corporate sector, and that is the voice heard by Government and other decision makers; often to the detriment of the small-scale coastal fleet. Two fishers in Newlyn interviewed together said solemnly,

The Government has no interest in [small-scale coastal] fishing, they are just trying to squeeze us out.

This is a perception that is well documented in the grey literature. Carpenter et al. (2019) for example argued convincingly how powerful corporate voices in the fishing industry dominate media coverage and crowd out the small-scale coastal fleet from political consideration. Greenpeace (2018) was also able to analyse how the fishing fleet is mostly dominated by large corporate players.

Other stakeholders interviewed during the study spoke of how the Government has historically failed to live up to its responsibilities under the European Union criteria for financial support to the sector by failing the needs of inshore fishers and their communities. They quoted Article 18 "Content of the Operational Programme" 1(i) of the EMFF whereby,

The operational programme shall include. (i) in Member States where over 1,000 vessels can be considered small-scale coastal fishing vessels, an action plan for the development, competitiveness and sustainability of small-scale coastal fishing.

They argued that no effective action plan had ever been drawn up and implemented in the interests of small-scale coastal fishers. This was in stark contrast to other European countries which have prioritised the social and economic needs of their coastal communities (cf. ETF-EFFAT 2019).

As already outlined, there is much that the maritime welfare charities, in partnership with agencies and organisations on the ground, can do to support the longer-term financial health and resilience of fishers. But charities alone will not be able to solve the problem of the financial vulnerability of fishers, nor should they be expected to. Firstly and most importantly, responsibility resides with fishers themselves – to ensure they are treating their crew fairly and to make their own long-term financial plans to support their financial resilience. Secondly, Government has a responsibility to ensure that there is an effective welfare state to support people who are not able to work and earn their own income. Thirdly and finally, charities exist to catch people when all else has failed. Too often charities are the only option available to support small-scale coastal fishers through difficult times.

Even though there were a few industry interviewees who considered that fishers unable to make fishing pay should perhaps seek other employment, the majority of those interviewed, fishers and industry representatives alike, argued that the financial stability of small-scale coastal fishers was not only possible but could be significantly improved with the support of a realistic, strategic action plan organised and led by Government. The current Seafish-facilitated 'Future of Inshore Fishing' initiative will develop and deliver an action plan²² developed with the sector, for the benefit of the sector, that Government is willing to support.

This Seafishers UK study came to an end just as the Government was about to introduce a new post-Brexit Fisheries Bill into Parliament. Theresa Villiers, MP, and at the time Secretary of State for the Environment, said on the publication of this bill:

This new bill takes back control of our waters, enabling the UK to create a sustainable, profitable fishing industry for our coastal communities, while securing the long-term health of British fisheries. Leaving the EU's failed common fisheries policies [sic] is one of the most important benefits of Brexit. It means we can create a fairer system²³.

23. Quoted in the Guardian 30th January 2020. www.theguardian.com/business/2020/jan/29/eu-vessels-will-no-longer-have-automatic-access-to-uk-fishing-waters



22. Cf. <https://seafish.org/article/future-of-our-inshore-fisheries-conference>

The fishers interviewed in this study certainly hope that it will.

As McAngus et al. (2018) stressed,

If the hopes and desires of coastal communities, the fishing industry and wider stakeholders are going to be met, a new UK policy will need to engage and interface with local communities as part of future post-Brexit governance arrangements.

This equally was the conclusion of this study.

What is abundantly clear from this study is that tinkering at the edges will not succeed in turning around the fortunes of coastal communities in general and those of small-scale coastal fishers in particular. The new Fisheries Bill, together with the promised uplifts in fishing opportunities for the UK fleet post Brexit and in association with the recommendations put forward in this report should form the basis for a genuine and sustainable future for those concerned.

It is equally the case that the Government together with wider society, including the catching sector must first and foremost decide what it wants from, and for, the fishing industry and their allied coastal communities. Current and past allocation of fishing opportunities has resulted in the consolidation into relatively few, often remote and corporate hands. Bearing in mind that the fish in the sea is a public resource then consideration should be given to managing access to that resource to supply not only food, but also a living for the many, rather than a fortune for the few. The alternative, proven in examples across the world, is that the decline of coastal communities, with its resultant increasing levels of deprivation continues. As a consequence the benefits of fishing become ever more remote from the people and communities that previously relied on them.

Creating The Safety Net

Ten recommendations



This research puts forward ten recommendations aimed at creating a comprehensive safety net capable of supporting the financial resilience of fishers and their families. Four of the recommendations relate to changes that can be taken forward by fishers themselves, albeit with the support of charities and the wider fishing industry. The remaining six are policy recommendations which will require Government support.

The research and the recommendations acknowledge that fishers themselves are primarily responsible for making long-term plans to maintain their financial resilience. For some this may require a cultural change which prioritises sacrifices today in order to build longer-term reserves and financial assets such as pensions. Whereas the role of Government is to ensure that the uniqueness of share fishing is recognised with an appropriate tax and welfare benefit system that provides a similar level of protection as exists for all other citizens.

Ultimately, when all else fails, charities remain as a safety net to support fishers and their families through difficult times. Yet charities can also do more by playing a more proactive role and establishing interventions that can enhance fishers' financial resilience and prevent problems occurring.

These recommendations were discussed at the Maritime Charities Group conference in October 2019, and with stakeholders in the fishing industry, and have received general support.

What is abundantly clear from this study is that tinkering at the edges will not succeed in turning around the fortunes of coastal communities in general and those of small-scale coastal fishers in particular.

What can charities do to help fishers become more financially resilient?

These recommendations are initiatives and interventions that charities can proactively support to enable fishers to become more financially resilient and prevent fishers falling into hardship.

One

Create a co-operative 'share fisher plus' approach.

The traditional share fishing model is valued and supported by many skippers and crew, particularly in the small-scale coastal fishing sector. Many of those involved feel that it is the only model that suits the demands and vagaries of fishing. However, it is a traditional approach which excludes many of the protections that now exist for remunerated labour. This is an issue for self-employed and gig economy workers too. As such, share fishers should give consideration to any industry or Government initiatives proposed to address this issue for such groups, as the proposals may also have potential application and benefit for share fishers.

Fishers prioritise retaining their autonomy. However, the trade-off is an absence of many of the benefits enjoyed by a contracted workforce; tax deductions at source, entitlement to sick and holiday pay, employers' national insurance and pension contributions as well as automatic pension enrolment. Within recent years the ILO C188 has made it a legal requirement for crew to have work agreements. This is a step forward in affording legal protections to the workforce.

The benefits and protections available to those working as share fishers is an issue for those working within the industry to debate and consider further. This research has highlighted the lack of protections and, ultimately, a safety net. It is recommended that now may be the time for

the larger-scale fleet, which has flexibility to do so, to consider how it can improve the welfare protections offered to its workforce. This may include moving to the greater introduction of employment status within its sector. This would afford the workforce real protections and benefits, in addition to the opportunities that can be available.

Within the small-scale coastal fleet, it is recommended that a debate is initiated on the value of moving from a share fishing model to one based on co-operative principles. This may provide an opportunity for greater collective bargaining in respect of purchasing insurance, pensions and a range of financial products that can help support financial resilience.

It is further recommended that a charity such as Seafarers UK could support this debate by initiating and leading a feasibility study into the potential for developing a UK fishers' co-operative as outlined in this study. The aim of the feasibility study should be to facilitate a debate on the potential opportunities and benefits that could be offered by a fishers' co-operative for the small-scale coastal fleet. It will be important to identify the appropriate mechanisms to take this forward, as well as to assess the appetite for this initiative.

There is potential to support the evolution of the traditional share fishing model to one based on co-operative principles; in effect creating a 'share fisher plus' approach. The creation of this approach could provide a more attractive proposition to new entrants if it is able to provide greater worker benefits and protections as well as opportunities for share fishers, all the while continuing to maintain their autonomy and independence.

Two

Financial education.

It has been identified in this research that fishers living on a share income actually require greater financial capability skills; particularly regarding keeping track of finances, managing their own taxation and forward planning, particularly in relation to annual taxation demands, retirement and pensions. However, the reality is that many fishers struggle and often lack the time, skills, commitment and resilience to manage their fluctuating income in a long-term planned manner. Furthermore, for some, their level of basic skills further exacerbates their ability to successfully manage their financial affairs.

It is recommended that charities, third-sector organisations and Government departments, as well as the Money Advice Service, prioritise the exploration of measures to support fishers to budget, to make longer-term financial plans and, in general, to become more financially resilient. However, it is important to remember that formal classroom-based learning is unlikely to be the ideal method to achieve this. Instead informal peer to peer learning is recommended.

It is also recommended that charities and third sector organisations, with the support of the Money Advice Service, consider the development of informal financial education opportunities within the fishing community through the introduction of financial buddy schemes. As explored in the report, these schemes enable trusted allies, who may be local workers (such as port-based welfare workers, harbour masters, etc.), professionals or volunteers, to be trained in basic financial information, who can communicate useful knowledge about budgeting and credit in an informal manner through their local, social and community networks.

Three

A national credit union for fishers with access to affordable credit.

Access to credit is an essential part of everyday life for many fishers, to smooth out the peaks and troughs of unpredictable income and to enable vessel owners to afford essential equipment and to bid for match-funded grant aid support. However, the study has shown that access to affordable credit for personal or business purposes is often problematic or impossible.

Based on the positive experience of the credit union project in Cornwall where a Seafarers UK funded loan guarantee underwrote loans to fishers to provide match-funding for EMFF / MMO grants, it is recommended that charities support the development of initiatives enabling greater access to affordable credit for all fishers through a national credit union offer. This will involve identifying a suitable credit union with modern delivery mechanisms, significant organisational capacity, and national reach, which would be prepared to agree to modify its membership criteria to include people working in the fishing industry.

Four

Increase awareness of the availability of charitable welfare support for fishers.

Case studies and the data held by the charities involved in the study revealed that fishers benefitted significantly from the money and debt advice and support offered through SAIL (Seafarers' Advice & Information Line) as well as the charitable grants that were made available to them.

Many fishers do not realise their eligibility for certain welfare benefits when faced with challenging circumstances. However, evidence from interviews with fishers suggests that there is a low level of awareness of SAIL and its services amongst the small-scale coastal fishing industry. Part of the problem relates to fishers' self-identification firstly as fishers and not as seafarers. This has already been addressed in part by SAIL developing new imagery and promotional materials for use with fishers.

It is recommended that promotion of the availability of money and debt advice and welfare support becomes a priority for all charities working in the sector. This could best be achieved through engagement with the representative bodies and Producers Organisations. Already, in October 2019, Seafarers UK has taken the first step in funding SAIL to employ a dedicated Fishing Specialist Caseworker, both to provide advice and to actively work with the commercial fishing sector to raise awareness of the availability of the service.

What can Government do to help fishers to become more financially resilient?

The following are policy recommendations for Government. It is accepted that the recommendations are ambitious and challenging. They recognise Government's role in supporting a thriving UK fishing industry. Importantly, they also recognise that Government is responsible for establishing a welfare safety net capable of protecting against hardship and deprivation and which will support those who become vulnerable, often as a consequence of ill health, or are unable to earn an income from their usual employment.

Five

A national action plan for the development and sustainability of small-scale coastal fishing.

Many fishers and stakeholders expressed disappointment over a perceived failure of the Government to prioritise the needs of small-scale coastal fishers and their communities. The financial struggles of small-scale coastal fishers and the decline of coastal communities has been invisible and often gone unheeded, with priority given to the larger-scale, corporate fishing industry.

As the industry struggles to recover from the impact of COVID-19 and prepares for post Brexit, it is recommended that a realistic action plan to support the social, economic and environmental development of coastal communities be created, and implemented, by Government for the sector. At the heart of this plan needs to be specific actions to support the financial resilience and business success of small-scale coastal fishers, as called for by fishers themselves²⁴.

24. Cf. www.seafish.org/article/future-of-our-inshore-fisheries-conference

Six

Support for new entrants.

The difficulties experienced by those wishing to begin a career in the fishing industry emerged throughout the report. The report notes the lack of promotion of small-scale coastal fishing as a career, the need to widen access to appropriate training, the desirability of developing apprenticeship schemes and the lack of access to finance to fund the purchase of a vessel and required licenses.

It is recommended that Government and industry representatives implement, action and fund a plan to support new entrants into the sector, to ensure that there exists a thriving UK fishing industry in the future. Such a plan will need to ensure that fishing careers in the future have both safety and financial protections that are attractive to a new workforce.

Seven

A fair price for fish.

To encourage competition for market place auctions and enable fishers to receive a fair price for their catch, it is recommended that support is given to new initiatives involving marketing and selling fresh fish direct to consumers at home. This could be complemented by actively encouraging supermarkets to offer a greater variety of UK caught fish. Whilst it is recognised that support for new initiatives must be balanced with the impact on consumer prices, direct sales can provide better value for both fishers and consumers.

25. <https://cfpo.org.uk/the-fathom-podcast/>

Eight

HMRC to develop a replacement mechanism to support fishers in making Income Tax and National Insurance payments.

Interviews and statistical evidence from SAIL revealed the difficulties that fishers can encounter in managing their finances as self-employed and non-PAYE workers.

This was recognised by Government in 2014, when HMRC established a tax budgeting scheme for share fishers. This voluntary scheme assisted share fishers to budget for Income Tax and National Insurance contributions. It worked by enabling settling agents to deduct a minimum of 20% from payments and pay this into a dedicated bank account out of which tax and National Insurance payments would be made when they become due. Joining the scheme also allowed fishers to claim certain allowances against sea kit expenses. The scheme was terminated on 31st January 2020.

Fishers are not alone in requiring support with their tax obligations. In a report by Demos (Glover et al, 2019) on liquid workers in the gig economy, recommendations were made "for means-tested 'accountancy aid' to help liquid workers manage their finances".

It is recommended that the Government reconsiders, initiates and promotes interventions to support fishers with the payment of tax and National Insurance. The promotion of a new scheme would require effective communications with fishers, including through more modern mechanisms such as Twitter and the Fathom Podcast produced by the Cornish Fish Producers Organisation²⁵.

Nine

Government action to support the automatic enrolment of employed crew and wider take-up of pension planning within the fishing industry.

It is significant that 48 (57%) of the 84 retired fishers in the dataset seeking support from the charities were receiving pension credit (indicating a low level of National Insurance contributions) whilst only 13 (16%) said they had an occupational pension.

These figures indicate that large numbers of fishers are not planning ahead for retirement. This may lead to many continuing to work long after it may be physically safe for them to do so. The resolution of this issue will involve behavioural change within a workforce that adapts to its dangerous working environment by maintaining a culture of living for today rather than embracing long-term planning.

It is recommended that efforts are made to encourage an acceptance of the need for building longer-term savings and pension planning. The majority of workers in the UK benefit from Government's requirement for automatic enrolment in a workplace pension scheme. The lack of an employer within the share fishing sector means that many fishers are missing out on this benefit as well as employer contributions and the tax benefits associated with pension planning.

Pension planning could be supported through a requirement to pay a percentage of share income into a pension account, or requiring vessel owners to contribute a small pension contribution. If this is a default option, it would assist in embedding a cultural change of longer-term financial planning within the sector.

It may also be worth considering supporting a recommendation made in the Demos report (Glover et al, 2019) which calls for an automatic enrolment pension scheme for the solo self-employed with the Government acting as their 'de facto' employer.

Ten

Government to review the welfare benefits system to ensure it provides an effective safety net for share fishers.

It is recommended that the Department of Work and Pensions reviews the welfare benefits system to consider the specific circumstances of fishers and other precarious workers.

In the study, many fishers spoke of the timing delay between making a claim for Jobseeker's Allowance or Universal Credit and receiving payment. The problem of a five-week waiting period causes difficulties for many precarious workers, not just fishers. Fishers, those operating in the gig economy and workers on zero-hour contracts, often lack financial resilience and require immediate short-term help to make up unplanned income gaps. This is an area where the benefits system has not kept pace with the changing nature of employment. The rules relating to Jobseeker's Allowance and Universal Credit need to be sufficiently flexible to assist share fishers through periods when they are unable to earn an income from fishing, and thus provide a suitable safety net for fishers and all precarious workers.

The Demos report (Glover et al, 2019) takes this further by calling on Government to establish a universal portable benefit schemes for liquid workers. Such a scheme should be suitably adaptable to meet the needs of fishers.

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Andy Wheeler	(Former) Assistant to the CFPO Chief Executive	Cornish Fish Producers' Organisation
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Appendix One: Methodology

At the outset, the study was designed to develop an understanding of the financial realities faced by fishers working in the small-scale coastal fleet from information already captured in the databases of three main charities serving the fishing community. These were SAIL (Seafarers' Advice & Information Line), the Shipwrecked Mariners' Society, and Seafarers' Hospital Society. These charities hold records of active, former and retired fishers and their families who have approached them for financial advice or grant support during times of hardship. This data provided a statistical analysis in respect of this group of people and enabled the compilation of a series of case studies.

In addition, in order to contextualise the findings generated through an analysis of the data, the study included 39 informal, semi-structured interviews of fishers working out of the ports of Newlyn and Whitehaven, as well as interviews of key stakeholders within the fishing industry. As a further source of information, an analysis of the accounts submitted by fishers applying for EMFF grants through the Fishing Animateurs was undertaken.

Even though there was not a formal literature review as a part of this study. The study has been significantly informed by existing research and available literature. The study drew on the findings of the Seafarers UK 2018 study, *"Fishing for a Future"*, and is intended and presented as a follow-on text to that initial study. The study was always intended to be limited in scope. It was never intended to carry out a widespread survey of fishers or undertake primary research to capture sector-wide data on the full range of fishers' financial interests. Instead, the original research brief established the primary data set as records of fishers and their families who had experienced financial problems and turned to maritime welfare charities for support. The findings of the study can therefore only claim to relate to its target population. However, by revealing the lived experiences and real problems faced by the fishers and their families who had applied to maritime welfare charities for advice, help or financial support, this research study provides a window into the real financial difficulties experienced in the life of a small-scale coastal fisher today.

Ethical considerations

The study was conducted according to the ethical guidelines of Seafarers UK, LJMU and participating organisations. Datasets were accessed only following full anonymisation so that no person could be personally identified by the researcher. Fishers who participated in interviews were contacted first by the gatekeeper organisations who sought their agreement to participate in the study. Each interviewee was given a written statement outlining the purpose of the research and assured confidentiality and anonymity. Participants were asked to sign a written statement indicating their agreement to participate in the study and their permission to record the interview. Following ethical guidelines, all recordings of interviews were destroyed on completion of the project.

Data analysis

The data of 431 individuals was accessed and analysed across the three charities. Of these 255 were clients of SAIL, 137 were beneficiaries of the Seafarers' Hospital Society and 39 were beneficiaries of the Shipwrecked Mariners' Society. 71 individuals were recorded in more than one organisational data set, arising from the collaborative and holistic working relationship between the charities. In order to have a data set that could be analysed, the 431 individuals were allocated to that organisation with which they had primary contact.

The 431 records represented 345 men and 86 women.

- 315 (73%) came from England:
 - 82 (19%) from Lincolnshire was the largest regional grouping.
 - 57 (13%) from Devon
 - 53 (12%) from Cornwall

The remainder came from seven other locations throughout the country.

- 89 (21%) came from Scotland:
 - 21 (5%) from South Ayrshire
 - 21 (5%) from Aberdeenshire (n=21, 5%)
 - 11 (3%) from Moray

The remainder came from seven other locations throughout the country.

- 23 (5%) came from Northern Ireland, all from County Down.

The location of two fishers was not recorded.

Among the group of 431, there were 140 active fishers, 117 ex-fishers, 84 retired fishers, 69 widows, 17 family members and four people whose status was not identified.

The majority of the 140 active fishers came from Devon and Cornwall (71 or 51%), Scotland (26 or 19%) and Dorset and Sussex (23 or 16%). 45% were over 45 years of age and 29% were under 35 years. Six individuals were 24 or under.

Of the 140 active fishers, 61 were currently working, 50 on sick leave, 25 were not working (including those whose vessels were being repaired) and four whose status was not recorded.

In order to analyse the data held by the three charities, a bespoke data base was developed into which the data from the original records was entered manually. The data fields were determined by the information already held by the charities. They fell into distinct categories:

- Personal Identifiers: fisher, ex fisher, retired, sick leave, partner.
- Personal Characteristics: age, gender, status, ethnicity, disability, health condition, housing tenure, nationality, dependents, annual income.
- Employment: employment type, working role, boat owner, work status, length of fishing career, other occupations.
- Help provided: advice given, referral, grant awarded.
- Financial Problem: identification of the problem, whether caused by fishing, link to accident, recent death, physical or mental health problem.
- Case details: individual situation.

- Financial Products and Services: transaction banking, saving, pension, assets, credit and over-indebtedness.
- Other Financial Issues: e.g. Income Tax and National Insurance
- Actions: the advice and help provided by the charity.

The completion of each data field depended on the data recorded by the charities. It is important to note that this data was not compiled with this study in mind, so in individual cases specific information may have been missing.

Once the bespoke data base was populated and cleaned for duplications and conflicts, a thematic statistical analysis was undertaken in relation to the various client categories. Key issues explored through the database included: the nature of the financial problem experienced, level of financial inclusion, nature of over-indebtedness, issues with tax and welfare benefits, housing type and related issues, health issues (physical and mental), whether a capability or financial capability issue was present, nature of the advice received and level of grants awarded. This analysis was formulated in a stand-alone document and discussed with the project steering group in order to assess its sense, relevance and import.

A data analysis of the issues brought to the charities by fishers experiencing financial difficulty cannot be extrapolated as applicable to the whole community of fishers. It is instead focused on those who have experienced financial difficulty. To provide a small counterbalance to the sample, the study included a series of interviews with fishers and professionals in the sector in order to sense check the data and to obtain a qualitative narrative.

The development of case studies

When fishers or their family members approach the charities, the charities record the circumstances that occasioned the person to seek advice, support or grant aid. These notes are kept on file for follow-up and further support. From these notes, it was possible to formulate the stories of individual applicants in a way that brought to life their circumstances and the financial challenges that they were facing. 14 case studies of the lived experience of fishers were written and five chosen for publication in this report. The case studies for publication were chosen to show the range of financial situations fishers faced and to represent people of different ages, backgrounds and location. The case studies are completely anonymised to avoid any identification of individuals from the information published.

Interviews with fishers

The study included informal, semi-structured interviews with 19 working fishers, 17 face-to-face, and 4 on the telephone. Of these 17 fishers worked either out of the port of Newlyn or of Whitehaven. An additional two fishers were also professionals working in the sector²⁶.

These interviews were with fishers who were available and willing to participate in the study. A call for participants was put out by the Fishermen's Mission and Fishing Animateurs in Newlyn and by the Whitehaven Fishermen's Co-operative and all fishers who agreed to participate in the interviews were accepted. The only criteria for participation was to be currently working as a commercial fisher. In fact, the calls for participants did not result in enough volunteers, so nine fishers were recruited directly by the research team on the quayside while working on their vessel. The interviews followed a discussion guide, but this had to be flexibly used depending on the situation and the time available. Most interviews took around 30 minutes, with at least four taking around one hour. The longer interviews were conducted in the offices of the Fishermen's Mission in Newlyn or the Whitehaven Fishermen's Co-operative.

Notes were taken of the interviews and they were also recorded, even though resources did not run to having the interviews professionally transcribed. The interviews were analysed thematically according to the key issues denoted in the discussion guide. Fishers described the situation as they saw it from their own perspective as a fisher. Interviews were full of perceptions, assumptions and opinions that could not be externally verified statistically. However, as they told their stories of fishing over the years, some clear conclusions and findings were able to emerge. The purpose of the interviews was to listen intently to fishers and to ensure that the tenor of the report would reflect their real-life experience.

The discussion guide can be found overleaf (Form 1). This was a guide and had to be adapted to the time available and the circumstances of the interview. Often the fishers just freely told their story which covered many of the points for discussion in the guide.

Fishers were given a shopping voucher as a thank you for their time and consideration. All findings from interviews have been recorded anonymously.

Form One

Discussion guide for interviews with fishers

These questions will need to be adapted to the person being interviewed and to the practical circumstances of the interview.

Opening questions

1. Do you think that people working in the fishing industry experience financial problems/difficulties/challenges that are particularly related to working in this industry?
2. How easy or not is it for people to manage their household budget on a fishing income?
3. How easy or not it is for fishermen to make a living from fishing?
4. What financial stresses and strains do you think fishing families face?

Inability to earn

5. Do you know of times when fisherman cannot earn? What is this like for people? What do people do?
6. At difficult times, for example during the storms of 2013/14 there was charitable support available – was this something that was helpful? Is there any learning from that experience? How best could charitable support be provided in the future if a need arises?

Making ends meet

7. What strategies do people use to manage and to make ends meet? In relation to personal finance and, in case of boat owners, to the business.
8. Who normally takes the lead on money management in fishing households? In relation to both personal and business finance,

Credit and debt

9. How frequently do fishers or fishing families have to borrow money? What do they borrow for? Where do they borrow money from? With what result?
10. Do you know of cases of people getting into debt? What caused these people to get into debt? Where do people turn to for support?

11. Are you aware of anyone approaching the bank for a loan to support their fishing business? What was their experience?

Saving

12. How easy or difficult is it for fishing families to save? Why do you say this?
13. If people have a good fishing day and earn extra income than usual, what do they do with it?

Where do people go to for advice or help?

14. If experiencing financial problems – where do people go to? What is your experience of such services?

What could be done to help?

15. What could Government, the fishing industry or anyone else do to help fishers and their families with their finances?
16. What would be the most important intervention/change/action that would support the financial resilience of fishing families?

On being a share fisherman

17. What are the advantages/disadvantages of being a share fisherman?
18. Do you think it important to maintain the share fishermen status? Why do you say this?
19. I have heard stories of some fishermen not paying their tax and NI contributions for several years. Is this something you are aware of? What do you think is the reason for this? Does it cause any problems? What can be done to help improve or support this situation?

Wrap up

20. What do you think is the No.1 most significant/important financial problem affecting fishermen?
21. Equally, what do you think is the No.1 most beneficial thing a fisherman can do to manage their finances?
22. Do you have any other thoughts or ideas on the financial challenges faced by fishermen that we have not covered in the above questions?

²⁶. This explains why there are 39 interviews noted in total, but with 19 fishers and 22 professionals

Interviews with professionals working in the sector

Semi-structured interviews were conducted with 22 representatives of organisations involved in the fishing industry, most of these interviews took place on the telephone, with just two being organised face-to-face. The participants are all listed and thanked in the acknowledgements page of the report.

The reason for the involvement of industry representatives was to gather information and perspectives on the financial situation of fishers from multiple and broader perspectives. All the interviewees were engaged in the sector in some capacity, some more directly involved with fishers than others. As with the fishers, interviewees expressed their own thoughts and opinions based on their experience and knowledge of the issues faced by fishers. And, equally as with the fishers, their statements and opinions could not be externally verified.

The interviews were based on a discussion guide (Form 2) but, as with the fishers, had to be conducted flexibly depending on the time available and the background of the interviewee. Notes were taken of interviews, and they were also recorded, but not professionally transcribed. The interviews were analysed thematically to throw light on, and bring a greater understanding to, the financial challenges faced by fishers and their families.

Form Two

Industry representative discussion guide

1. Do you think that people working in the fishing industry experience financial problems/difficulties/challenges that are particularly related to working in this industry?
2. What do you think is the No.1 most significant/important financial problem affecting fishermen?
3. Do you think the financial challenges fishermen face are changing over time? How do these compare with say 5 or 10 years ago? What factors are alleviating or compounding the financial challenges fishermen face?
4. What is your perception of share fishing? Do you think it important to maintain the share fishermen status? On larger vessels fishermen are often employed. Would it better if all fishermen were employed?
5. What could Government, the fishing industry or anyone else do to help fishermen and their families with their finances?
6. What would be the most important intervention/change/action that would support the financial resilience of fishing families?
7. I have heard stories of some fishermen not paying their tax and NI contributions for several years. Is this something you are aware of? What do you think is the reason for this? Does it cause any problems? What can be done to help improve or support this situation?
8. Do you have any other thoughts or ideas on the financial challenges faced by fishermen that we have not covered in the above questions?

Analysis of the business accounts of EMFF applicants

In addition, an analysis of 47 anonymised business account records of vessel owners applying for EMFF grants through the Fishing Amateur CCRC project, joint funded by Seafarers UK and The Fishmongers' Company Charitable Trust, was undertaken. This was included to throw light on the financial situation of small-vessel owners applying for grant aid.

Appendix Two: Results of data analysis

Statistical analysis of the 140 active fishers (61 working, 50 on sick leave, 25 not working and 4 unknown), the 117 ex-fishers and the 84 retired fishers in the maritime welfare charities' datasets (341 fishers in total). The remainder of the non-fisher individuals in the datasets were widows (69), family members (17) and unknown (4). There were 431 individuals in total in the datasets.

Status/category	Number	Percentages	Additional Comments
Active fishers currently working – 61 individuals (43% of the 140 active fishers in datasets)			
Self-employed	50	82% (of 61)	All share fishers
Skippers	23	36% (of 61)	
Boat owners	9	15% (of 61)	
No current income	9	15% (of 61)	In serious hardship
Number with Problem debts	43	70% (of 61)	Over two thirds with problem debt
Number with Priority debts	36	59% (of 61)	84% of the 43 with problem debt
Recd. advice from SAIL	46	75% (of 61)	
Received debt advice	33	72% (of 46)	Percentage of those receiving advice
Received benefit advice	22	48% (of 46)	Percentage of those receiving advice
Awarded a grant	36	59% (of 61)	Average amount awarded - £994.80
Grants for debt – paying off creditors or bankruptcy fees	15	42% (of 36)	Percentage of those awarded a grant
Grant for income shortfall	9	25% (of 36)	Percentage of those awarded a grant
Active fishers on sick leave – 50 individuals (36% of the 140 active fishers in datasets)			
No income	21	42% (of 50)	
Poor physical health given as reason for financial difficulty	39	78% (of 50)	
Had an accident at sea or in the port	18	36% (of 50)	
Received advice from SAIL	35	70% (of 50)	
Received debt advice	15	43% (of 35)	Percentage of those receiving advice
Received benefit advice	29	83% (of 35)	Percentage of those receiving advice
Awarded a grant	26	52% (of 50)	
Grants for debt – paying off creditors or bankruptcy fees	7	27% (of 26)	Percentage of those awarded a grant
Grant for income shortfall	16	62% (of 26)	Percentage of those awarded a grant
Active fishers not working at the time – 25 individuals (18% of the total 140 active fishers in datasets)			
Financial problems caused by fishing	21	84% (of 25)	
Financial problems caused by boat repairs	12	48% (of 25)	
Financial problems caused by nature (weather, tides, lack of fish etc)	12	48% (of 25)	
Financial problems caused by relationship breakdown	2	8% (of 25)	
Financial problems caused by skipper's illness	2	8% (of 25)	
Received advice from SAIL	15	60% (of 25)	
Received debt advice	8	53% (of 15)	Percentage of those receiving advice
Received benefit advice	10	67% (of 15)	Percentage of those receiving advice
Number with Problem debts	17	68% (of 25)	
Number with Priority debts	14	56% (of 25)	82% of those with problem debts (of 17)
Awarded a grant	14	56% (of 25)	
Grants for debt – paying off creditors or bankruptcy fees	7	50% (of 14)	Percentage of those awarded a grant
Grant for income shortfall	4	29% (of 14)	Percentage of those awarded a grant
Ex-fishers – 114 ex-fishers in the datasets (33% of all fishers)			
Number reporting that financial problem caused by a physical health issue	65	56% (of 114)	
Number reporting that financial problem caused by a mental health issue	23	20% (of 114)	
Number reporting that financial problem caused by an accident at sea	11	9% (of 114)	
Retired fishers – 84 retired fishers in the datasets (25% of all fishers)			
Receiving pension credit	48	57% (of 84)	
Having an occupational pension	13	16% (of 84)	
Received advice from SAIL	30	36% (of 84)	
Received debt advice	12	40% (of 30)	Percentage of those receiving advice
Received benefit advice	24	80% (of 30)	Percentage of those receiving advice

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