



It is normal practice for accounting officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an accounting officer has agreed an assessment of projects within the Government Major Projects Portfolio (GMPP).

Background and context

The £100 million UK Seafood Fund (UKSF) was announced by the then Prime Minister on 24 December 2020 following the conclusion of the Trade and Cooperation Agreement (TCA) with the EU.

The Fund is divided into 3 main pillars:

- **Science and Innovation** - £24 million shared between the Fisheries Industry Science Partnerships (FISP) and the Seafood Innovation Fund (SIF) to improve knowledge of fisheries and aquaculture
- **Infrastructure** - £65 million to fund improvements to industry capability
- **Skills and Training** - Up to £10 million is available for skills and training in the sector to attract new recruits and improve workforce retention

The 3 pillars are being delivered through competed funding schemes and we have also allocated £1 million from the fund to boosting seafood exports to new and existing markets.

This is the programme-level Accounting Officer Assessment (AOA) for the UKSF.



Regularity

The UKSF expenditure is delivered either through use of the UK Internal Market Act 2020 or Public Contracts Regulations. There is a legislative backing for all expenditure aspects of the fund.

At this point, our initial subsidies assessments have concluded that parts of the UKSF will be impacted by the control provisions under Article 10 of the Northern Ireland Protocol (NIP). Under the NIP, Northern Ireland's (NI) maximum subsidy allowance is £4,010,000 per year or £16,930,000 over 5 years.

The UKSF has been extended to 2025 which will help to mitigate the issue of reduced opportunity in accessing the fund, as the year-on-year spending will be reduced. The activity is covered within the department's ambit, as set out in the main estimate each year.

Conclusion: accounting officer test is met.

Propriety

The UKSF project is included in the GMPP with quarterly reports being submitted since September 2021. The project received independent assurance from the Infrastructure and Projects Authority (IPA) following their analysis of the first quarterly report. UKSF received recommendations from the IPA annual review. There is an action plan in place which addresses each of the recommendations from the review.

Government standards for general grant funding express the default position for awarding a grant is a competitive process.

To ensure the scheme complies with public expenditure principles, such as Managing Public Money, and is auditable, there is a set of governance mechanisms



and controls in place. These mechanisms and controls include operational scheme design, eligibility criteria, approvals and assessment procedure. These mechanisms and controls are similar to those found in other government grant schemes.

Conclusion: accounting officer test is met.

Value for money

The government announced the £100 million UKSF to modernise, reform and rejuvenate the fishing industry. This was intended to help meet the government's ambitions for strengthening the Union, levelling up and supporting net zero targets.

The scheme will improve the sustainability of our seafood sector whilst increasing cooperation and knowledge sharing across the UK as well as between industry, academics and researchers. This generates both economic and sustainability benefits. Overall, our analysis gives us confidence that the benefits outweigh the financial costs.

The overall benefit cost ratio (BCR) is 2.5 and is based on a weighted average of each of the 3 pillars. This is a conservative estimate and reflects the variation between the pillars and individual grant funded projects within. Combined with other evidence of the benefits of government spending on research and development, infrastructure and skills and training, this suggests that the pillar represents good value for money.

Conclusion: accounting officer test is met.

Feasibility

It is the programme's view that the proposed delivery schedule can be implemented effectively and credibly, in line with policy intentions.



Defra will be the legal owner of the UKSF and ultimately all decisions and authority with payments will be held in Defra's name.

Defra has instructed the Marine Management Organisation (MMO) to administer the competitive Infrastructure grant on Defra's behalf using a bespoke grant management system and processes in place that can be applied and tailored to suit the needs of the scheme.

Defra has a fully costed resource plan for the delivery and administration of the UKSF, which will be met within the £100 million. The UKSF will work closely with the Devolved Administrations (DAs) to prevent duplicated funding from the domestic schemes.

There are established portfolio and programme structures in place within Defra. The UKSF will utilise these governance arrangements to ensure that reporting and accountability are closely monitored and actioned.

Conclusion: accounting officer test is met.

Affordability

UKSF will not commit more than £100 million (less administration costs) to delivery projects. There is a negligible risk of overcommitment. HM Treasury has agreed that administration costs for the UKSF can be covered from within the £100 million and should stay within 5% of the total budget.

Inflationary pressures may affect cost forecasts for successful UKSF projects, this is balanced against the fact that the fund has a maximum limit of £100 million. We have provided detailed guidance to bidders should they find that the funding allocated is no longer sufficient to deliver a particular project. If a request is made for additional funding, Defra will consider the request and respond accordingly. Given the UKSF is



Department
for Environment
Food & Rural Affairs

capped at £100 million It may not be possible to accommodate all requests from the funding available.

Conclusion: accounting officer test is met.

Accounting Officer sign off

As the Accounting Officer for Defra I considered this assessment of the UK Seafood Fund and approved it on 8 November 2022. I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them. This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Tamara Finkelstein, Defra Permanent Secretary

Monday 13th March