Agenda for change

BMRA

Metals lead the green revolution

The UK metal recycling industry leads the green agenda and clearly demonstrates how the efficient use of resources can create jobs, save valuable and finite raw materials and drastically reduce emissions.

For example, using recycled aluminium over primary ores in aluminium production cuts carbon emissions by 95% as well as saving energy.

UK metals recyclers lie at the heart of processing these important materials and, every year, recover around 13 million tonnes of metal from two million cars (more than any other EU country), five billion food and drink cans, around eight million automotive batteries and three and a half million cookers, fridges and other white goods, and around eight million automotive batteries. Many of these are items that, traditionally, would have been sent to landfill.

Major exporter

Our £5 billion metals recycling industry produces far more metal than can be used by UK manufacturers. This makes us one of the world's largest exporters of recovered metals, accounting for 45% of Europe's ten million tonne annual metals trading.

The metals recycling industry's strategy of high-risk investment and continuous process innovation has increased recycling rates year-on-year. This is satisfying demand for new recycled materials – such as 100% recycled plastics for use in new cars – as well as reducing pressure on the UK's limited landfill infrastructure and demonstrating how the UK can lead the world in sustainable and green technologies.

"Putting recyclable and biodegradable material into landfill... wastes what are incredibly valuable natural resources."

Secretary of State for Environment, Food & Rural Affairs Caroline Spelman (Futuresource conference 15 June 2010)

Meeting policy objectives

With the right policy and legislative framework in place, the metals recycling industry can continue to lead the way in developing materials recycling and recovery. This document identifies four areas where industry and Government can work together to achieve public policy objectives around increasing recycling and working towards 'zero waste', creating a truly green economy, creating green jobs and reducing bureaucracy and administrative burden:

- **Better regulation and improved enforcement:** Hundreds of unlicensed and un-permitted sites across the UK do untold damage to our environment and threaten the reputation and competitiveness of the compliant and regulated majority while also providing a market for stolen materials. To close down and prosecute illegal operators, a radical change of the regulatory structure and enforcement priorities of the police, Environment Agency, HMRC and others is required.
- **Planning provision:** To maintain and further improve the UK's metals recycling infrastructure, the planning system must make provision for new recycling and recovery facilities.
- **Maximising recycling rates:** Metals recyclers are ready and willing to invest in the technologies needed to maximise recycling rates, recover energy from materials that cannot be recycled and to meet future targets. But in order to do it, clear and considered guidance and support is needed from Government on issues such as generating energy from waste (EfW).
- **Promoting international trade:** According to the OECD, there were 1,718 incidences of export restrictions imposed on the worldwide minerals and metals sector in 2009. As a major global exporter of metals, these measures, which include export prohibitions, export quotas, licensing requirements and special duties or taxes, have a disproportionate effect on the UK economy. To minimise their effect, Government must continue to resist calls for UK and EU export restrictions, improve enforcement of existing Waste Shipment Regulations and extend the use of end-of-waste mechanisms already put in place for metals like steel, iron and aluminium.

Better regulation

Metal recycling is subject to a regulatory regime designed for problem wastes, imposing unnecessary cost and regulatory burden on BMRA members. Yet metals are not problem wastes, but low risk and highly valuable secondary raw materials, worth hundreds or even thousands of pounds per tonne.

Metal recyclers are driven by the value of the waste being handled and by the opportunities to divert material from increasingly expensive landfill by using ever more efficient technologies.

These economic drivers mean that regulators can have confidence that metals will be recycled and not discarded – something which has been recognised by the revised EU Waste Framework Directive which puts in place a new 'end-of-waste' mechanism for metals such as iron, steel and aluminium.

Appropriate risk

BMRA believes that better enforcement of existing regulations (see page 4), appropriate recognition of risk and a regulatory regime which accepts secondary materials as non-waste, would provide effective regulation for the metals recycling sector.

The BMRA calls for the following measures:

- Transferring the responsibility to self regulation, enforcing environmental stewardship from the regulators to the regulated. This could be done using tools such as environmental and quality management systems and compliance certificates. This would be in line with the requirements of the environmental regulations.
- Moving to an 'inspection by exception' system in place of the current regular inspection regime which is highly resource-intensive for both the regulator and the regulated – and focuses inspection efforts on compliant rather than non-compliant operators.
- The adoption of 'sunset clauses' for producer responsibility schemes. Once producer responsibility targets have been met, this would allow a reduction in administration and inspections, with operators instead allowed to self-report on continuing compliance. This would provide a further incentive to achieve the targets.

Metals recycling businesses are required to adhere to an unprecedented volume of specific legislation, with the new Industrial Emissions (IPPC) Directive being applied in the UK from 2013. Current legislation includes:

- Scrap Metal Dealers Act
- Environmental Permitting Regulations
- Environmental Protection Act 1990
- Duty of Care Regulations
- Registration and Control of Waste Carriers
- Registration and Control of Waste Brokers
- Transfrontier Shipment Regulations
- (EU Council) End of Waste Regulation 333/2011
- Registration, Evaluation, Authorisation and restriction of CHemicals (REACH)
- End of Life Vehicle Regulations
- Vehicle Crime Act 2001
- WEEE Regulations
- WEEE Treatment Regulations
- Batteries Directive
- Packaging Regulations
- Hazardous Waste Regulations
- Waste Oil Directive
- Landfill Regulations
- Groundwater Directive
- Stockholm Convention on Persistent Organic Pollutants
- Radioactive Substances Act
- Carriage of Dangerous Goods Regulation

UK metals recyclers lie at the heart of processing these important materials and, every year, recover around 13 million tonnes of metal

Metals are low risk and highly valuable secondary raw materials

Improved enforcement

Law abiding metals recyclers compete on an uneven playing field, with non-compliant businesses operating outside the regulatory framework. This provides illegal operators with a commercial advantage over legitimate businesses while illegal sites undermine the industry's reputation, bring unnecessary environmental risks and frequently also provide a market for stolen materials. Estimates of the number of illegal sites operating accross the UK varies but it is thought around 800 exist at any one time.

Of the estimated 15,000 tonnes of metal stolen each year, around 7,500 tonnes is stolen from BMRA members despite efforts in recent years to dramatically improve security. The BMRA continues to work closely with the Government and other authorities and partners in identifying hard-hitting and practical measures to address metal theft.

High theft rates combined with a low level of prosecutions indicates that current approaches are not having the desired effect. BMRA therefore supported the call in Defra's Review of Waste Policy for "a more strategic intelligence-led approach […] targeting illegal traders whilst ensuring that law-abiding businesses can trade in safety". Attention should, first and foremost, be focused on consistent and effective enforcement of existing legislation.

Enforcement action

Current funding arrangements for the Environment Agency (EA) mean that it cannot use funds raised from permits to fund enforcement action against illegal, non-compliant and un-permitted sites.

Also, there is currently a lack of co-ordination between the EA and local authorities in licensing and permitting operators. At present, operators must register with local authorities under the Scrap Metal Dealers Act, whilst environmental permits are issued by the EA. However, there is no requirement for the EA and local authorities to consult each other in the process. This means that sites can carry a Scrap Metal Dealers Registration but no environmental permit, and vice-versa and enforcement is inconsistent.

Until basic issues can be dealt with new legislation will have little – or even negative – effects. For example, restricting the use of cash trading for legitimate traders would merely drive significant legitimate cash business to illegal traders.

BMRA believes that the following measures should be pursued to improve enforcement:

- **Working with HM Treasury to reform the current funding arrangements for the EA to allow fees raised from permits to clamp down upon those operating outside the permitting regime.**
- **Rationalising and updating existing legislation to create an integrated, bespoke regime for metals recyclers. Administered by the Environment Agency, this would make one single authority responsible for both licensing and permitting operators.**
- **Updating and reforming the Scrap Metal Dealers Act (1964) to**
  - **Provide the police with powers to enter and search unlicensed premises without warrant. The Act currently allows the police only to enter and inspect the records of licensed operators.**
  - **Require anyone selling scrap metal to provide evidence of their identity, with traceable permits issued to approved sellers, and householders or occasional sellers required to present photographic evidence of identity and proof of address.**
  - **Introducing 'reverse VAT' on cash transactions involving scrap metal, whereby the buyer would take responsibility for collecting VAT from the seller, rather than leaving this to the discretion of the seller. This would increase tax revenue and prevent the emergence of so-called 'carousel fraud'.**

Combined, these measures would help Government towards its commitment to reducing the regulatory burden on businesses while also giving more effective use of public resources to close illegal and unlicensed operators.

In addition, the BMRA calls for the following to combat metal thefts:

- **A greater focus from asset owners, in collaboration with police, insurance companies and others, to invest in asset security and 'designing out' crime.**
- **A strategic, national police approach to the curbing of outlets for stolen metal. Current well-meaning but fragmented local police initiatives serve not only to impose uneven burdens on BMRA members but also have limited impact rates on metal theft.**
- **Reforming the sentencing framework to reflect the value of the disruption or damage caused, rather than the value of the metal stolen. BMRA does not agree with the imposition of a cashless trading model for scrap metal, which would drive material away from the legitimate market into the illegitimate. Greater emphasis on sellers' ID would be considerably more effective.**

Planning provision

Most local waste plans do not provide adequate consideration of metal recycling facilities. Many do not include any provision for metal recycling. They typically focus on household waste such as packaging, they significantly under-estimate the amount of metal which can be recycled. By not including the need to recycle end-of-life vehicles, waste electrical and electronic equipment (WEEE) and commercial waste they make inadequate provisions for metal recycling capacity.

The BMRA is concerned that this will lead to previously 'exempt' sites being refused planning consent for existing facilities because local waste plans do not consider them necessary.

If the UK is to increase recycling rates, divert waste from landfill, reduce carbon emissions and progress towards a 'zero waste' vision, the planning system needs to accommodate for existing and new metal recycling facilities. In particular, the industry is currently facing two challenges: the need to resist restrictions being placed on existing metal recycling facilities; and ensuring well-run existing sites can expand their operations where demand requires it.

Long-standing businesses

Many metals recycling businesses have been trading on the same sites for generations. Often planning permission has subsequently been granted for nearby residential developments which can force BMRA members into expensive and frequently unsuccessful legal action to resist restrictions being imposed on operating hours, noise and vehicle movements.

Increasing capacity of existing operations presents further challenges. Often, new facilities such as thermal recovery operations need to be sited close to existing equipment such as shredders to allow them to be as close as possible to their feedstock. This reduces carbon emissions associated with unnecessary transport and also allows businesses to run more efficiently.

To allow the metals recycling industry to fully realise its potential environmental and economic contribution, the BMRA recommends:

- **That planning system reforms recognise the essential role being played by metal recycling, and protect existing sites and make provisions for their extension. The exclusion of recycling operations from the National Planning Policy Framework was a missed opportunity and BMRA will work to ensure it is included in the National Waste Management Plan.**
- **That the National Waste Management Plan makes provision for new metal recycling facilities to be integrated with existing operations, realising associated benefits such as reduced vehicle movements.**

Planning permission problems

Up to 20% of BMRA members have experienced "significant problems" with the planning process in recent years. These centre around some common themes:

- Where new, often residential, developments are built close to existing metals recycling sites restrictions such as reduced working hours, traffic management, upgraded site lighting, fencing and; acoustic barriers. The cost of these can often be significant for recycling businesses.
- Where Sites of Special Scientific Interest (SSSIs) or areas covered by the Habitats Directive are declared near or at existing rural metals recycling facilities planning complications can arise.
- Planning issues restricting business from expanding operations at existing sites
- Cost: Preparing a planning application and on-going costs for services like planning consultation can cost an individual site between £3,000 and £50,000.

Of the 15,000 tonnes of metal stolen every year, half is taken from BMRA members

Maximising recycling rates

UK metals recyclers are investing heavily in cutting-edge technologies to maximise recycling rates for metal and for other materials such as the plastics found in the items they recycle.

This is diverting thousands of tonnes of waste from landfill and means that metals recycling is, more than any other industry, helping the UK to meet and exceed producer responsibility recycling and recovery targets. But more needs to be done. For example, with recovery targets for End-of-Life Vehicles (ELVs) set to increase from 85% to 95% from 2015, urgent provision needs to be made to put in place the investment, technology and capacity to meet these targets.

Currently, the material from ELVs which is not recycled (known as shredder residue) comprises a mixture of plastic, foam, rubber, textiles and wood. Around one million tonnes of shredder residue is sent to landfill every year. Yet as a waste with exceptionally high calorific value, recovering the energy embedded in this waste to generate heat and/or power is an attractive proposition.

Keen to invest

BMRA members are keen to invest the hundreds of millions of pounds required to develop and build these technologies, which could bring about recycling and recovery rates in excess of 95% for many end-of-life consumer goods.

This would allow the UK to meet increased recycling targets, reduce pressure on landfill and reduce the need for virgin raw materials. It would also create hundreds of new, skilled jobs both directly and indirectly through the supply chain. The resulting diversification of energy production would help the Government to achieve its zero waste vision, and position the UK as a world leader in end-stage recycling.

To ensure this investment can be secured, the BMRA recommends:

- **Urgent guidance from Government to confirm that the recovery of energy from shredder residue is considered to be 'recovery' rather than 'disposal' to allow producer responsibility targets to be met. Without this, investment cannot be made and the UK will not be able to meet its increased targets.**
- **Investment support, such as that provided in Japan, and assistance in de-risking investments would help to encourage additional recycling capacity. BMRA therefore welcomes the recognition by Ministers that waste and recycling capacity should be one of the three priority areas to be supported by the Green Investment Bank. BMRA will work to ensure that such financial support is forthcoming once it is established in 2012.**

Metal recycling by numbers:

- 2.5 million. The number of vehicles recycled every year
- 1.8 million tonnes. The amount of metal recovered from recycled cars every year
- 95%. The 2015 European recovery target for vehicles
- 95%. The proportion of waste electrical and electronic items that can be recovered

Promoting international trade

Metals are globally traded commodities, and the success of the UK metals recycling industry means that it recovers more metal than domestic manufacturing is able to consume. This is not just down to high and increasing recycling rates: it is a consequence of the marked decline in the number of steel furnaces in the UK in recent years. Other factors also play a part. For example, the UK's right-hand drive end-of-life vehicles cannot as easily be exported for re-use in other markets as might happen in continental Europe.

This means that, of the 13 million tonnes of metal recovered in the UK each year, around 60% of this is exported with a value of £4 billion. It means that UK metal recyclers are the leading exporters of metal in Europe and among the most important players globally.

UK metal recyclers therefore stand to lose from any attempts to impose restrictions on the international trade in recovered metals. Steps taken through the revised EU Waste Framework Directive to introduce an end-of-waste mechanism for aluminium, iron and steel were therefore welcomed as they release recovered metal from shipment regulations and trading restrictions aimed at problem wastes.

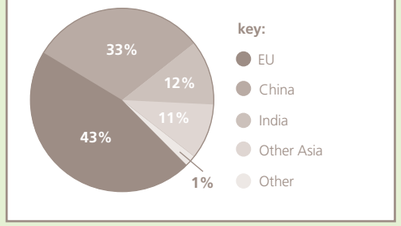
Strategically important

BMRA members are also recovering substantial quantities of strategically important metals such as platinum, rhodium and palladium, as well as gold and silver. These are recovered from vehicles and waste electrical and electronic equipment (WEEE). As greater volumes of these materials are recovered thanks to improved collection services and design, the capacity to extract and process these high value materials efficiently and effectively becomes increasingly important.

To allow the UK metals recycling industry to meet its full potential, the BMRA recommends:

- **That end-of-waste mechanisms are applied to other secondary metals in order to lift export controls and allow the UK metals recycling industry to trade on the same terms as other major recycling nations.**
- **That the Government continues to resist calls to introduce export restrictions on material to secure supplies of strategically important metals. Any such protectionist measures would result in the loss of millions of tonnes of trade for UK metals recyclers, and would ultimately lead to reduced recycling rates by distorting the economics of metal recycling.**
- **Vigorous enforcement of Waste Shipment Regulations to stop the export of Waste Electronic and Electrical Equipment (WEEE) to markets with inadequate treatment facilities. This has been highlighted by the House of Commons' Science and Technology Committee.**

Where it goes: export destinations for copper



Source: Iron and Steel Statistics Bureau

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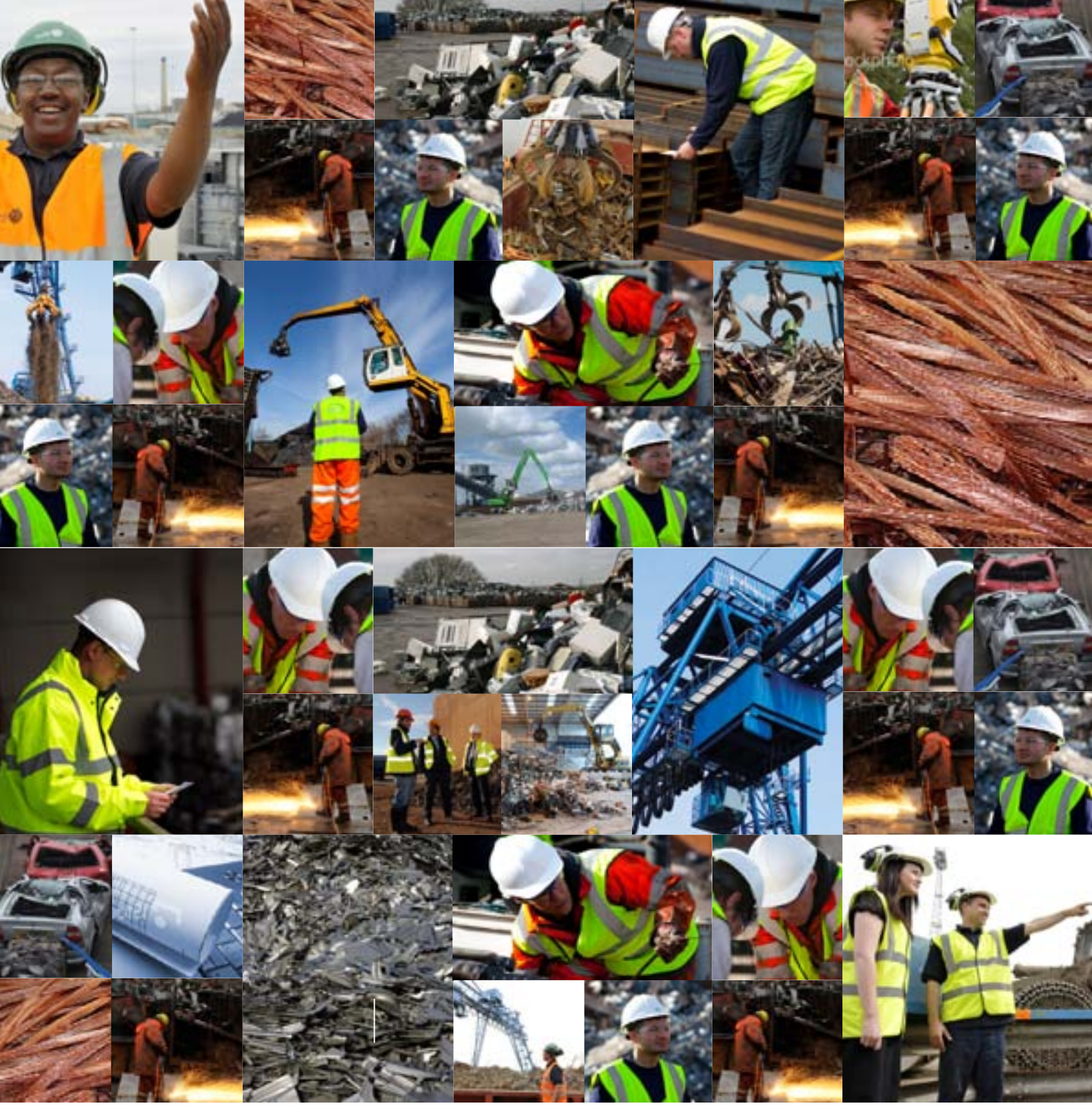

BMRA, 16 High Street,
Brampton, Huntingdon, Cambs
PE28 4TU
01480 455 249
01480 453 680

admin@recyclemetals.org
www.recyclemetals.org

BMRA