

BMRA response to an Environment Agency consultation on the Proposed 2008/09 charging schemes for Environmental Permitting, Radioactive Substances Act Regulation, EU Emissions Trading Scheme and Integrated Pollution Control

The British Metals Recycling Association (BMRA) is the trade association for ferrous and non-ferrous recycling companies throughout the UK and represents some 300 businesses from multi-national companies to small family-owned enterprises, which between them handle over 95% of the metal recycled in the UK. This £4 billion industry processes over 15 million tonnes of metal annually into secondary raw material, which is vital for metals manufacturing.

The UK metals recycling industry is well-established and operates in an international market of traded raw materials. Many companies are family-run, passing on skills and knowledge 'from father-to-son'. Metals recycling activities are low risk and are generally regulated under waste management licensing or registered exemption. The industry is a substantial contributor to the delivery of European and UK strategies on recycling and sustainable use of resources.

The points we wish to make in relation to this consultation are:

- BMRA acknowledges the efforts made by the Environment Agency to limit its baseline increase to 3.5%. However, we would urge the Agency to consider not introducing any increased fees and charges in the next financial period. This is because the metals recycling industry is still adjusting to significant addition costs imposed by the regulators in the past three years. It is not clear how these increased charges have, in any way, improved the environmental performance of the sector nor provided a significantly improved service from the Agency.
- We would also urge that any future increases should be sub-inflationary. Higher costs and additional charges could potentially deter recycling.
- BMRA strongly opposes the proposal to increase Agency technical competence assessments by 290% from its current level. The suggestion that charges are set "at the correct level so as not to discourage operators joining any accreditation scheme" is not reasonable. Charges must be determined based purely on cost recovery.

General comments

BMRA recognises the ongoing efforts made by the Environment Agency to limit its baseline increase to below the current retail price index (RPI) despite further cuts to their Grant in Aid funding. However, we would urge the Agency to consider not introducing any increased fees and charges in the next financial period. This is because the metals recycling industry is still adjusting to significant addition costs imposed by the regulators in the past three years. These costs include but are not limited to:

- 450-570% increases on waste management licensing transfer, modification and surrender charges (introduced April 2005).

- 35% increase on single notification charges under the new UK Transfrontier Shipment of Waste Regulations (implementing EC 1013/2006) compared to the previous regime (introduced July 2007).
- £10 per consignment of un-depolluted vehicles considered to be waste (as per Agency briefing note *A guide to when a motor vehicle is considered waste and the controls that apply*, introduced November 2007).
- £500 or £2590 application fee for operators of metals recycling facilities (or exporters) that sought approved authorised treatment facility or exporter status under the WEEE Regulations (introduced July 2007).

It is not clear how these increased charges have, in any way, improved the environmental performance of the sector nor provided a significantly improved service from the Agency. The legitimate companies within the sector continue to believe that they are expected to police their suppliers *and* pay their Agency fees and charges. We are further concerned that illegal operators continue to avoid paying these costs and avoid the investment necessary for compliance. It is imperative that such sites are either brought into compliance or prosecuted to the full extent of the law.

We would also urge that any future increases beyond the current consultation period be limited to sub-inflation. Higher costs and additional charges could potentially deter recycling.

New EP charging scheme replacing Waste Management Licensing and Pollution Prevention and Control

Notwithstanding our above comments on the levels of charges, we support the proposed structure of the EP charging scheme. However, we request that further clarity is provided on the relationship between current charges for fixed condition licenses and the new (proposed) standard rules permits.

We have no specific comments on the proposed new application, variation, transfer or surrender charges.

Waste exemptions that operators are required to notify us about

We do not have any specific comments on the proposal to move charges for waste exemptions that operators are required to notify the Agency about into the new EP scheme.

Technical competence assessment charges

BMRA strongly opposes the proposal to increase Agency technical competence assessments by 290% from its current level. Whilst we understand that the Agency has to recover its costs, there does not appear to be any justification for such a substantial increase. Typically, a TCM assessment, carried out at a metal recycling facility, takes on average two hours to complete and is often combined with a regular site inspection (which is covered by the annual subsistence fee).

With a lack of supporting evidence to suggest otherwise, it would appear that the charges have been increased to more closely align with the charges made by accreditation schemes to make the Agency assessment less attractive to operators . Setting charges “so as not to discourage operators joining any accreditation scheme” is not reasonable. Charges must be determined based purely on cost recovery.

Until the future arrangements for technical competence have been finalised, we would urge the Agency to keep its charges at the current rate, or provide details of why such a large increase to the TCM assessment charge is necessary at this time.

We also seek confirmation that the Agency assessment (and ‘deemed competence’) will continue to be recognised under the transitional arrangements for the introduction of the EPP regime.

OPRA Band F

Whilst we support the introduction of the Band F for those sites that have a particularly poor compliance score, we believe that the additional charges incurred by these operators (through higher subsistence charges) should be used in part by the Agency to encourage operators to improve their standards. We would also request that adequate dialogue between the Agency and site operators exist to allow the operator to respond to any alleged mis-compliance/s that would generate this OPRA banding.

If there are any comments arising from our response, please contact Howard Bluck on 01480 455249 or email Howard.Bluck@recyclemetals.org or write to:

British Metals Recycling Association
16 High Street
Brampton
Cambs, PE28 4TU

7 December 2007