

Scrap Metal Dealers Bill – Written Evidence to Environment Committee

My name is . I am a metal recycling company called Ballyvesey Recycling Solutions Ltd. I have been in the metal recycling business for 44 years.

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I was one of a group of a number of companies in the scrap metal industry recently invited by the PSNI to Lisnasharra Police Headquarters to discuss the issue of metal theft and how jointly we could tackle the problem. The BMRA does not represent the majority of metal recycling companies in Northern Ireland.

Over a period of 15 months between 2012 and 2013 we held 7 meetings attended by:

PSNI Head of Community Safety

PSNI Head of Crime Prevention

British Transport Police

2 PSNI District Inspectors

Department of Justice, Crime Reduction Branch and Organised Crime Section

2 Officers from NIEA Environmental Crime Unit

Head of Security Diageo (Aluminium Keg theft)

NIE Security

Garda Siochana

Various representatives of the Scrap Metal Industry

(Copy of Minutes of a typical meeting provided)

It was agreed that the metal theft problem in Northern Ireland was different than that on the mainland because of the border with the Republic of Ireland and because of the presence of paramilitaries in the province and the probability that if there was a cash ban, a lot of the trade would go underground and become a perfect avenue for paramilitaries to launder their drugs profits. This would inevitably lead to an increase in metal theft and the conclusion of these meetings was to introduce a Code of Conduct to which 48 scrap metal companies to date have signed up.

As a group we feel that if any Bill is introduced to try to control this situation then the basis of that legislation should come from the regulations detailed in the Code of Conduct. Also the PSNI and other public bodies must exert their authority in closing down illegal operations immediately and spot checking companies to ensure the regulations are being adhered to.

Since the introduction of the Code of Conduct in September 2012 signed by 48 companies, figures released by the PSNI up to March 2015 show a reduction in metal theft in the province by 47.68%. (Copy of relevant paper provided)

Clause 1. Requirement for Licence to carry on business as scrap metal dealer

At present the NIEA regulates the scrap metal industry very robustly in Northern Ireland. To open a metal recycling facility one must first of all apply for planning permission as the 1st step in obtaining a Waste Management Licence. The expense in presenting these documents alone is in the region of £3000 and if successful an annual fee is paid to NIEA of £2400. It is also necessary to produce evidence of land occupancy, an Environmental Statement £500, Water Order Discharge consent £2000 and an annual fee of £700, audited accounts of a parent company if relevant, an expenditure plan, and also a Working Plan detailing drawings of machinery locations etc. Also you must provide an Audiometry Report detailing noise levels of any working machinery. All this can cost up to £5000 on fees. The completed application then has to be approved by DOE Roads Service, NI Water Authority, NIE, NIEA and the local council before obtaining a Waste Management Licence. Then if successful, the applicant must install a drainage system with interceptor tanks to catch any oil leaks or spillages and concrete the complete site applied for. Before any machinery or suitable buildings have been constructed, depending on the size of the site, it can cost approx £200,000 for a typical 2 acre site. The company is then inspected regularly by NIEA to ensure compliance with the terms of the Licence and water samples taken every 6 weeks. Also the terms of the Code of Conduct state that regular inspections by PSNI will be carried out to ensure compliance with regulations.

Clause 2. Form and effect of licence

These requirements are already in existence and have to be met by the Waste Management Licence and Road Carriers Licence that any metal recycling facility must have.

Clause 3. Issue of licence

This clause details the requirements necessary by managerial personnel to operate a metal recycling facility. The present NIEA Regulations state that it is necessary for at least 1 person in a managerial position to have a COTC – Certificate of Technical Competence. In order to attain a COTC an Environmental Consultant is required to put the manager through the course. This can cost up to £3000.

Clause 9. Verification of supplier's identity.

This requirement has been in place for over 3 years since September 2012 and is a condition of the existing Code of Conduct.

Clause 10. Offence of buying scrap metal for cash etc.

I would refer you to my opening page of this submission. This was discussed at length by those organisations “at the coalface” as it were, during the meetings in PSNI Headquarters. It was acknowledged that the possibility of paramilitaries starting to operate as scrap dealers to launder drugs cash was too much of a risk to take in banning cash payments. Rather to have the payments made in conjunction with Code of Conduct Regulations. The introduction of a maximum cash payment figure would lead to abuse of the system which has been proven in France and other countries.

Clause 11. Receipt of metal

Again this is already detailed in the Code of Conduct. Details of the seller have to be recorded on a purchase document which also details the grade of the material, the quantity and also the total value of the transaction.

Clause 12. Disposal of metal

It is important that the disposal of ALL metals should be recorded. The figure in Sub-clause 3 of 50kgs is confusing and will make it difficult to abuse and enforce.

Clause 13. Records: supplementary

The process of metal recycling is to prepare material for either steel mills or copper and aluminium foundries around the world. This inevitably entails either shearing, baling, fragmentising, or flame cutting with oxy-acetylene burners. Sub-clause 1 paragraph (a) states that records must relate to a particular item of material. It is like asking a bakery which bowl full of flour relates to which loaf. Impossible.

Clause 14. Right to enter and inspect.

This has never been an issue with the trade in my 44 years in the business. If the police wish to enter the premises and inspect material, inspect records, look at CCTV records at any time NIGHT OR DAY then every company has to comply. This again is a condition of the existing Code of Conduct. If there is a suspicion that a crime has been committed and it is necessary for police to enter and inspect, why would this circumstance require new legislation?

CONCLUSION

As stated in my introduction I believe that any legislation regarding the metal recycling business in Northern Ireland **must** be treated differently from that recently introduced in England and Wales. Firstly because of the existence of paramilitary groups and also because of the proximity of the Republic of Ireland and the non-existent border controls.

These issues were prevalent in the discussions previously referred to in PSNI Headquarters and I believe any future legislation has to be drafted around the present Code of Conduct already in operation. I believe that the vast majority of companies in the metal recycling business would support and welcome such properly structured legislation. In the last 6-7 years in the midst of a global recession, companies in Northern Ireland have invested in the region of 35 – 40 million pounds in this vital recycling industry. We believe that working WITH ourselves to draft legislation is the only solution to a successful outcome and reach the same goal as that of the proposed Scrap Metal Dealers Bill which is to combat metal theft and legislate the industry in a proper and workable manner.

Ballyvesey Recycling Solutions Ltd.