



Scrap Metal Dealers Bill – Northern Ireland

Submission to the Northern Ireland Assembly – Environment Committee

The British Metals Recycling Association (BMRA) is the trade association for ferrous and non-ferrous metal recycling companies in 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 £5.6 billion industry processes over 15 million tonnes of metal annually into valuable secondary raw material for metals manufacturing both here in the UK and in a wide variety of export markets.

In principle, BMRA welcomes the introduction of the Scrap Metal Dealers (Northern Ireland) Bill and its aim to be consistent with legislation in the rest of the United Kingdom. A robust licensing regime is essential to tackle metal theft and BMRA is of the view that strengthened, well enforced legislation in Northern Ireland will go some way to reduce this type of crime.

However, we have some very serious concerns over the impact of inconsistent legislative frameworks in the Republic of Ireland (the Republic) and Northern Ireland. This Bill will harm both the employment and economic growth opportunities for the Northern Ireland metal recycling industry if it is enacted in its current form, without similar regulations being in place in the Republic.

The voluntary code of conduct currently in place in Northern Ireland provides a sound basis on which to tackle metal theft. Operation Tornado, which took place in England prior to the enactment of the Scrap Metal Dealers Act 2013, required those selling scrap metal to participating dealers to provide photographic identification. This, coupled with targeted police action was extremely successful in reducing metal theft. In the medium term, a similar approach could be taken in Northern Ireland whilst similar legislation is developed in the Republic.

Additionally, we have concerns over the drafting of specific clauses that we have addressed below.



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Clause 9. Verification of supplier's identity

This section lays out the requirement for scrap dealers to verify the full name and address of the supplier by way of photographic identification. A passport is described as one option for complying with this provision at Clause 9 sub-clause 3 (a) and (b). However, a passport does not include the address of the holder and further verification should be included in the form of a utility bill or bank statement in support of the passport.

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

BMRA respects the reasons for introducing a £100 de minimis for cash transactions and realises this will be widely supported. However, a de minimis may prove difficult to police and can lead to abuse. As an example of this, France introduced a similar de minimis provision which was subsequently repealed because of wide-spread abuse of the law.

In addition, Clause 10 sub-clause 2 is currently unclear. The wording is ambiguous to such an extent that it could be open to abuse. Under the current drafting, payment could be made other than in cash by way of payments in kind to the value of £100. It is difficult to judge the value of payment in kind and this may allow for the exchange of illegal goods.

Clause 11. Receipt of metal

BMRA supports the general proposition that metal dealers will report “*suspicious scrap metal*” to the authorities. However, clause 11 requires clarification. It defines “*suspicious scrap metal*” as copper, aluminium and other “*prescribed*” metal. The test for suspicion includes a requirement that the materials listed in sub-clause 8 are

“...burnt, defaced or otherwise marked in such a way as to give rise to a reasonable suspicion that the scrap metal may have been stolen”.

This clause is far too specific on the one hand and provides a low threshold for suspicion on the other. Clause 11 should be reviewed to include more general provisions for reporting potentially stolen items. This could be achieved by removal of specific listed materials and removal of the additional test in sub-clause 8 paragraph (b).



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Clause 12. Disposal of metal

Clause 12 deals with disposal from the metal dealer's yard (s). BMRA supports the general notion that good record keeping is necessary to limit the opportunity for metal thieves. Sub-clause 3 includes a weight threshold for keeping records of material once it leaves the metal dealers site. This is both confusing and difficult to enforce. BMRA proposes that the weight threshold of 50kg is removed in favour of all material being recorded when disposed of. The volume of material should therefore not obviate the need to record a transaction as this still leaves the law open to abuse.

Clause 13. Records: supplementary

Sub-clause 1 paragraph (a) states a record should be created

"...in a manner which allows the information and the scrap metal to which it relates to be readily identified with reference to one another."

It is extremely difficult if not impossible to link a transaction to specific material because of the homogenous nature of scrap metal. The transaction can be linked to a type of material such as 'light iron' but not the specific items to which a transaction relates. The link to specific material should be reviewed in light of the nature of transactions within the scrap metal industry.

Clause 14. Right to enter and inspect

The right to enter and inspect does not include any provision for those operating from somewhere other than a site. In other words, there are no enter and inspect provisions for mobile collectors. This should be reviewed to include specific provisions for mobile collectors such as vehicle inspections.

Inconsistencies in the Republic of Ireland

BMRA is concerned there may be an inequity in legal provisions between Northern Ireland and the Republic. A stricter legal regime introduced in Northern Ireland, and specifically a restriction on cash payments will mean that business is lost to the Republic where cash is still permitted. BMRA has evidence of this happening between England and Scotland where a cash ban existed in the former and not the latter. In Ireland this situation may be more acute due to its smaller size and therefore greater ease of moving goods over the border. It is strongly suggested that a similar Bill for the Republic must be introduced if the new law is to be successfully enforced.



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Conclusion

Whilst BMRA welcomes the introduction of the Scrap Metal Dealers Bill to Northern Ireland, there remain some outstanding issues and inconsistencies that must be addressed in order that the Bill is successfully introduced into law. The suggestions contained in this document, including use of the voluntary code of conduct and targeted police action, allow for an approach that is both enforceable and consistent. This will enable the scrap metal industry to be compliant and operate on a level playing field with those in the Republic of Ireland.

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