

# SEPA sets our new plan to drive innovation across Scotland's metals sector

10 December 2018

An action plan to help Scotland's metals sector become an innovative and valued part of Scotland's emerging circular economy, improve environmental compliance and stop illegal activity, has been launched today by the Scottish Environment Protection Agency (SEPA).

SEPA's [Metals Sector Plan](#) is one of 16 sector plans being launched this year in line with the regulator's One Planet Prosperity strategy. This reflects that, if everyone in the world lived as we do in Scotland, we would need three planets. There is only one.

In response to mounting scientific evidence about climate change, plastics in our oceans and the pressure on our freshwater environment, the sector plans set out a range of actions to help all regulated businesses meet – and go beyond – their compliance obligations.

"Full compliance with environmental regulations will not, by itself deliver the transformational change required to secure our One Planet Prosperity objectives," says SEPA Chief Executive Terry A'Hearn. "The Metals Sector Plan needs to unlock the potential for businesses to gain strengths in resource efficiency and environmental innovation that will help them to succeed in their markets."

In its Metals Sector Plan, SEPA sets out a series of ambitious goals to help reduce the amount of materials, energy and water used across the metals sector. These include:

- Working with industry to identify innovative opportunities to displace virgin raw materials with recycled or recovered metals.
- Exploring with partners how, across the supply chain, operators can better collect individual metal types and alloys.
- Working with manufacturers and recycling trade associations to understand the implications of changing vehicle technology on end-of-life vehicle depollution and dismantling operators.
- Identifying and sharing opportunities to save energy by promoting industry best practice in energy efficiency and low carbon energy projects that can be applied to Scottish metal manufacturing processes.
- Regulating baseline water use at metals production sites and identifying opportunities for water efficiency.

SEPA's Metals Sector Plan cites a [University of Cambridge report](#) stating that the current quality of recycled steel is low, due to poor control of its composition. It is generally down-cycled to intermediate products such as

plates, bars and coils of strip with low margins. Much more value is added to steel by businesses that convert these intermediate products into tailored components wanted by final customers.

The University of Cambridge report suggests that new integrated business models could connect liquid steel production to UK architecture, construction, aerospace and automotive industries to find new value and innovation.

Materials separated from metals at reprocessing facilities such as plastics and automotive shredder residue are currently disposed of as waste. There is a significant volume of these materials and operators elsewhere in the UK are investing in processes to extract value from these materials and divert them from landfill.

“Importantly, as the world faces shortages in metals and environmental constraints on their use, we will encourage the development of new technologies and business models that reduce resource use and environmental impact in ways that meet market needs,” Mr A’Hearn adds.

Globally scarce metals include copper, lead, tin and lithium – an important component of electric vehicle and renewable energy manufacturing.

SEPA’s [One Planet Prosperity](#) regulatory strategy and its [Waste to Resources Framework](#) reflects the Scottish Government’s circular economy strategy, [Making Things Last](#), which sets out a framework to dramatically cut waste across the economy and drive the reuse, repair and remanufacture of products.

SEPA’s Metals Sector Plan covers all regulated activities that involve the production of metal from raw materials, the manufacture of metal products, and the reprocessing, recycling and recovery of metallic wastes.

On environmental compliance, SEPA said most operators involved in the production of metal and metal products from raw materials had an excellent or good compliance rating. But for licensed and permitted metal recycling and reprocessing sites, compliance in 2017 was 88% – compared to the national average of 90.9%.

“This means that the sector is currently underperforming and that there are a number of operators that consistently perform poorly,” SEPA says in its sector plan.

**Key Issues contributing to non-compliance are:**

- Storage of polluted waste on permeable ground
- Non provision of impermeable surface
- Waste data reporting and administration
- Waste duty of care failings
- Failure to de-pollute end-of-life vehicles (ELVs)

End-of-life vehicles contain ferrous, aluminium, lead and copper as well as non-metal contaminants that are classed as hazardous waste. Producer responsibility obligations require the free take-back of ELVs and requires

vehicle manufacturers to achieve a 95% recycling and recovery target.

“Metals is a sector with a highly varied environmental performance,” Mr A’Hearn continues. “At one end, there are responsible operators who have a good track record of compliance and are seeking new business opportunities based on solving environmental challenges. At the other end, there are those who undertake activities illegally, ‘outside the system’, creating environmental risks and undermining legitimate operators.

“In the plan, we set out the ways we will try to get these illegal operators into the system or out of the market. This is tough work. We will use a combination of approaches and work with other organisations to try to achieve this aim. We will also drive those legitimate operators with outstanding compliance issues to solve them.”

SEPA says illegal activities in the sector range from small scale breaking of vehicles for reselling parts, to industrial estates where multiple unlicensed end-of-life vehicle (ELV) operations are taking place. Initial assessment suggests that some are involved in wider criminality and a few have links to serious and organised crime groups and are a known violence and aggression risk.

The export of waste electrical and electronic equipment (WEEE), ELVs and vehicle parts are also susceptible to illegal activity and there is concern that some operators are still paying cash for metal, which has been banned since 2016, or do not have a Scrap Metal Dealers licence from their local authority. The aim of these requirements was to raise standards within the industry and make it more difficult for metal thieves to convert the proceeds of crime into cash.

SEPA’s proposals to improve compliance and tackle illegal activity in the metals sector include working with industry to:

- Develop effective intervention strategies to disrupt and deter illegal activity in partnership with Police Scotland, local authorities, DVLA, industry trade bodies, other UK environment agencies and other relevant partners.
- Make it easier for operators to understand their obligations through permit simplification and improved guidance on environmental compliance.
- Increase scrutiny of duty of care\* compliance as part of routine site checks.

## **Ends**

## **Notes to editor**

Read the Metals Sector Plan at: <https://sectors.sepa.org.uk/>

\*Duty of Care is a code of practice set out in environmental law (Section 34 of the Environmental Protection Act 1990 (as amended)) that legally requires any business, not-for-profit organisation, or public sector body to store and dispose of their waste in a responsible manner.

SEPA is also producing sector plans covering:

- Chemicals Manufacturing
- Crop Production
- Dairy Processing
- Dairy Production
- Finfish Aquaculture
- Forestry and Timber Production and Processing
- Housing
- Landfill
- Leather
- Nuclear
- Oil and Gas Decommissioning
- Scotch Whisky
- Strategic infrastructure (transport and utilities)
- Tyre Sector
- Water and Waste Water Sector

### **About Sector Plans**

All businesses that SEPA regulates in a sector use water, energy and raw materials to produce the products and services they sell. In doing so, they also create waste and emissions. Sector Plans aim to systematically identify the compliance issues that need to be tackled by sector – and help identify the biggest opportunities to support sectors in going beyond compliance.