

British Aggregates Association

**10 Brookfields
Calver, Hope Valley
Derbyshire S32 3XB**

Tel/Fax: 01433 639879
Mobile: 07711 492 378
phuxtable@british-aggregates.com
www.british-aggregates.co.uk

11th July 2007

**Rebecca Moy/Mike Etkind
Air Environmental Quality and Industrial Pollution
Department for Environment, Food and Rural Affairs
7/H10 Ashdown House
123 Victoria Street
London
SW1E 6DE**

Dear Mike and Rebecca

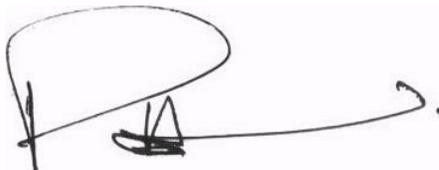
Better Regulation Review of some Part B sectors

Thank you for this opportunity to respond.
Our replies are appended in the format requested.

We trust that our points will be considered.

If you require any further information or clarification, please do not hesitate to contact me further.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'Peter Huxtable', written over a light grey rectangular background.

Peter Huxtable
MA(Cantab) CEng FIQ FIMMM
Secretary

IMPACT ASSESSMENT QUESTIONNAIRE

Name, organisation and contact details of person completing the questionnaire

Peter Huxtable
Secretary
British Aggregates Association
10 Brookfields, Calver
Hope Valley, Derbyshire
S32 3XB
Tel/Fax 01433 639879
Mobile 07711 492378
e-mail phuxtable@british-aggregates.com

Section 1 – sector to which this response relates

Q1 Please give the PG note reference relevant to the sector

PG3/1 bulk cement/readymixed plants
PG3/8 quarry processes
PG3/15a roadstone coating
PG3/15b mineral drying
PG3/16 mobile crushing and screening

Section 2 – regulatory preference

Q2 Do you wish there to be a change in the method of regulation of your sector (i.e. a change from the current PPC system to one of the other options being considered)? Please give any reasons.

BAA members wish for change in the method of regulating our sector.

The reasons are that our members are deeply uncomfortable with the regulatory guidance systems, the enforcement systems, the appeals systems and the absence of any benefits to the public arising from this wasteful and unnecessary bureaucracy.

These activities do not produce a significant source of air pollutants; and controls are covered in other legislation etc. They are all in the lowest risk category 1.

None of it is required by European law, there are no benefits which might in the near or medium term arise from its continuation.

None of it will be missed, except by the bureaucrats who currently run the system, both in government, in councils, in the appeals system, and in the major companies for whom it is an excuse for anti competitive advantage.

Q3 Do you have a preference for any of the other regulatory options being considered? Please list all options you support. Please give any reasons for your preferences including any evidence of likely business benefits.

Most are not suitable or relevant. However, Statutory Nuisance (option 3) is supported, as is exemption under PPC Triviality (Option 5) – and indeed “Self regulation” (option 6). But we

would really wish that under this last option (6) the whole existing PG system (listed above) be discarded in its entirety.

Q4 Do you have any views on the proposals to regulate the additional activities put forward in the first consultation? (These are listed in the [annex](#) to this questionnaire. Which, if any of the regulatory options do you support for this activity?

None of these proposals address the current issues. Mobile plant is already covered for our sector.

Section 3 – administrative and policy costs under current Part B regime

Q5 What do you consider the annualised administrative and policy costs are, on average and as a range, for firms in your sector to comply with the current Part B controls? Policy costs are e.g. buying, maintaining and running abatement equipment and training staff in order to achieve air pollution improvements. Administrative costs are e.g. making applications, co-operating with local authorities on inspections, and producing returns or reports.

There are no additional costs arising out of the buying, maintaining and running abatement equipment, as all the necessary kit is already installed, maintained, regularly replaced and run; in the case of a new installation, it would be automatic to install the modern kit. Thus your additional “policy costs” are nil. However there is a large administrative cost in accompanying local authority inspectors, making applications for new installations, in written and verbal correspondence and in paying the invoices from local authorities. On average these amount to two days per year for a senior manager who you estimate is worth £16.23 per hour, so say £300 of direct costs plus 100% for indirect costs, so say £600 per year per installation. In the real world this is more likely to be about £1,000 per year per installation; plus an additional £690 a year for the local authority’s annual invoice. This assumes that the local authority is competent, very many are not. In these cases, the costs of professional and legal external assistance can be £50,000 per installation. These are your “admin costs”.

Section 4 - administrative and policy costs for alternative options

Q6 What do you consider the annualised administrative and policy costs would be, on average and as a range, for firms in your sector to comply with the alternative options? If you can’t quantify the costs, please state whether likely costs will be A much lower, B slightly lower, C around the same, D slightly higher, or E much higher .

In all cases the policy costs are nil, so we only list the admin costs.

option 1: Clean Air Act
unknown

option 2: Waste management licensing
extremely and unacceptably high

option 3: Statutory nuisance
nil - because such a prosecution is most unlikely given the internal standards in operation within member companies.

option 4: Simplified PPC permits
Given the proven ability of the regulatory system to gold plate everything they come into contact with, the chances are that simplification will mean additional and onerous regulation (less = more) probably double the costs mentioned in answer to Q5, say £3,000 per installation pa.

option 5: Reviewing the interpretation of
‘triviality’
Assuming this means the whole regulatory system will be swept away, zero cost.

option 6: alternative forms of regulation
Assuming this means the whole regulatory system will be swept away, zero cost.

Section 5 - administrative and policy costs for the additional activities proposed by respondents to the stage 1 consultation (see list supplied in this pack)

Q6 What do you consider the annualised administrative and policy costs would be, on average and as a range, for firms in your sector to comply with either the current Part B controls or one of the alternative options if it was introduced for one or more of the additional activities put forward in the first consultation? If you can't quantify the costs, please state whether likely costs will be A much lower, B slightly lower, C around the same, D slightly higher, or E much higher

None of these proposed activities would affect our members. Mobile crushers are already covered by the regulations anyway; and cement bag handling should be subject to the same procedures as for other bagging type operations.

Section 6 - competition assessment

Q7 Please state what, if any, effects current Part B regulation has on your sector or on indirectly affected markets, and provide supporting evidence where possible.

In particular, does Part B		please give reasons + quantify where possible
Present barriers to new firms wishing to enter the market?	No	The effects are that large multi-national companies are rarely if ever taken to task as a result of the existing Part B regulatory system, because local authorities are loath to take on a well resourced firm with a central legal department. Thus large companies are in effect already exempted from Part B regulation. This does not apply to smaller companies whether SME or above this threshold. This weighs against smaller companies who are much more at the mercy of the many incompetent local authorities, and the bizarre appeals system. Thus the existing Part B system gives an unfair cost advantage to major companies. Further information can be provided on a confidential basis. The barriers to entry (as a result of non Part B issues) are so large that Part B is a small and irrelevant component. Thus Part B is not a barrier to new firms wishing to enter the market. No.
Directly/indirectly limit the number or range of suppliers?	Yes	Indirectly
Reduce or increase the suppliers' incentives to compete vigorously?	No	Part B is irrelevant
Affect the relative competitiveness of firms in your sector?	Yes	

Q8 Please state what, if any, effects any of the alternative options would have on your sector or on indirectly affected markets, and provide supporting evidence where possible.

This question is impossible to comment in any detail upon in light of the unknowns at this stage – see our comments under other sections.

Option 1: Clean Air Act

Totally unknown – and not relevant to our sector as an option

Option 2: Waste management licensing

The additional costs would create a major problem for the industry and be a serious deterrent most specifically for SMEs and a real disaster for the industry if adopted for our sector.

In particular, does option 2		Compared with Part B, what will the effect be (A, B, C or D)*	Comments/reasons/evidence
Present barriers to new firms wishing to enter the market?	Y	D	For the worst
Directly/indirectly limit the number or range of suppliers?	Y	D	For the worst
Reduce or increase the suppliers' incentives to compete vigorously?	Y	D	For the worst
Affect the relative competitiveness of firms in your sector?	Y	D	For the worst

* A – nil/insignificant, B – small, C – significant, D – very substantial

Option 3: Statutory nuisance

This is already supported

In particular, does option 3		Compared with Part B, what will the effect be (A, B, C or D)*	Comments/reasons/evidence
Present barriers to new firms wishing to enter the market?	Y/N		
Directly/indirectly limit the number or range of suppliers?	Y/N		
Reduce or increase the suppliers' incentives to compete vigorously?	Y/N		
Affect the relative competitiveness of firms in your sector?	Y/N		

Option 4: Simplified PPC permits

Not supportive

In particular, does option 4		Compared with Part B, what will the effect be (A, B, C or D)*	Comments/reasons/evidence
Present barriers to new firms wishing to enter the market?	Y/N	B/C	For the worst
Directly/indirectly limit the number or range of suppliers?	Y/N	B/C	For the worst
Reduce or increase the suppliers' incentives to compete vigorously?	Y/N	B/C	For the worst
Affect the relative competitiveness of firms in your sector?	Y/N	B/C	For the worst

Option 5: : Reviewing the interpretation of 'triviality'

Assuming this took the sector out of PG control

In particular, does option 5		Compared with Part B, what will the effect be (A, B, C or D)*	Comments/reasons/evidence
Present barriers to new firms wishing to enter the market?	Y/N	C	For the better
Directly/indirectly limit the number or range of suppliers?	Y/N	C	For the better
Reduce or increase the suppliers' incentives to compete vigorously?	Y/N	C	For the better
Affect the relative competitiveness of firms in your sector?	Y/N	C	For the better

Option 6: : Alternative forms of regulation

Assuming this took the sector out of PG control

In particular, does option 6		Compared with Part B, what will the effect be (A, B, C or D)*	Comments/reasons/evidence
Present barriers to new firms wishing to enter the market?	Y/N	C	For the better
Directly/indirectly limit the number or range of suppliers?	Y/N	C	For the better
Reduce or increase the suppliers' incentives to compete vigorously?	Y/N	C	For the better
Affect the relative competitiveness of firms in your sector?	Y/N	C	For the better

Section 7 - impact on small businesses

Q8 Are the answers given to any of the above questions different when considering only small and medium-sized enterprises?

Our membership is almost entirely from this sector. In all cases SMEs are disproportionately worst hit by any changes in existing regulations.

Section 8 - small business details (for industry reps only)

Q9 Could you please give us the names and contact details (preferably email address/telephone number) of 3 SMEs operating in the sector covered by this PG note:

Tony Gilman
F H Gilman & Co
Liffington Road
Stamford
PE9 2HA
(T) 0178 048 2888

tony.gilman@fhgilman.co.uk

Paul Allison
Sherburn Stone Co Ltd
15 Front Street,
Sherburn Hill
Durham DH6 1PA

(T) 0191 3720636

paul@sherburngroup.co.uk

Roger Cullimore
Moreton C Cullimore (Gravels) Ltd
47, London Rd
Stroud
GL5 2AU
(T) 01453 847610

barbara@cullimoregroup.co.uk

Section 9 - do you agree with the Local Authority Unit's data on emissions?

Q10 Please look at the data attached with this package and consider for each relevant sector whether you agree the information.

No. This is largely irrelevant as we are in the lowest category (1) of little or no risk.

Q11 If "no", please comment below or on a continuation sheet on what changes you think should be made, and provide any other data you are able to.

The Local Authority Unit's data on emissions is in our opinion inventive guesswork which almost certainly grossly overstates the emissions.