

## ***Report to the Council***

**Committee:** Licensing

**Date:** 26 September 2013

**Subject:** Scrap Metal Dealers Act 2013

**Chairman:** Councillor K Angold-Stephens

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### **Recommendations:**

- (1) That officers carry out a consultation on the draft policy attached to this report;**
- (2) That the licence fees set out in this report be adopted;**
- (3) That the schedule of delegations set out in the draft policy take effect immediately; and**
- (4) That the Director of Corporate Support Services and the Director of Environment and Street Scene be given delegated authority to authorize officers to carry out inspections of the sites and vehicles used and to conduct investigations and to issue and undertake prosecutions that may arise under the Act.**

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### **Background**

- 1 The Members of the Licensing Committee received a report informing us of impending changes to the regulatory regime for controlling scrap metal dealing to be implemented through provisions of the Scrap Metal Dealers Act 2013, and the increased duties and powers which this gives to the Council
2. The changes in the legislation have been prompted as a result of the impact of metal theft. This has become an increasing problem as the value of metal across the UK as a whole has risen. A wide range of bodies in both the public and private sectors are commonly affected by this criminal activity. Targets include transport, electricity and telephone links, street furniture, memorials; affecting both commercial and residential buildings, including churches and schools.
3. The Government has already introduced other legislation which regulates the scrap metal industry as follows:
  - (a) to prohibit cash payments for scrap metal;
  - (b) to amend police powers of entry into unregistered scrap metal sites.

### **Key features of the Act**

4. The Committee heard that the Act introduces two types of licence, a 'site licence' and a 'collector's licence'.
5. The Authority must not issue or renew a licence unless it is satisfied that the applicant is a suitable person to carry on business as a scrap metal dealer and in making this decision the local authority can have regard to:

- whether the applicant or any site manager has been convicted of any relevant offence;
  - whether the applicant or any site manager has been the subject of any relevant enforcement action;
  - any previous refusal to issue or renew a scrap metal licence;
  - any previous refusal for an environment permit or registration;
  - any previous revocation of a scrap metal licence; and
  - whether the applicant has demonstrated that there will be adequate procedures to comply with the Act.
6. Once an application has been received, the local authority must consult with:
- any other local authority (if an application has been made or licence issued to the same applicant);
  - the Environment Agency; and
  - the Police
7. The Council is also under a duty to maintain a public register which will be open for inspection by members of the public.
8. The Act introduces the requirement for scrap metal dealers to verify the identity and full name and address of the metal supplier and keep copies of proof of identification. In addition, the dealer must keep records of the type of description of the metal(s) acquired, including weight and identifying marks, the date and time of receipt, the vehicle registration of any vehicle delivering the metal and copies of cheques used to pay for metal. All records must be kept for three years. The Act also prohibits the payment of cash for metals.
9. Local authority and Police officers have been given the powers to inspect licensed premises and can require production of any scrap metal at the premises, inspect records kept and take copies of those records. The Act provides police and local authority powers to issue closure notices to unlicensed scrap metal dealing premises and apply to a Justice of the Peace for a closure order.
10. The current legislation for scrap metal dealers only requires basic information to be supplied and no fee is payable. The new Act will require more detailed information to be submitted upon application and will allow the local authority to set a fee. The fee must be fixed to allow cost recovery and local authorities will have to have regard to guidance issued by the Secretary of State.

## **Implementation**

11. The Committee at its meeting agreed to recommend that the Council adopts the recommendations which we consider necessary to implement these new powers and duties to enable the Council to make arrangement for dealing with applications; set a fee; authorise officers to exercise the new powers; and assign resources to ensure compliance.
12. The Licensing Manager participated in a small working group of Essex Licensing Officers and this group prepared a draft policy which can be adopted by all authorities in the group. We considered the policy at our meeting and made a number of amendments. We would ask the Council to agree that a short consultation exercise on the proposed policy is undertaken with existing local scrap metal dealers and motor salvage operators; Essex Police; British Transport Police; Environment Agency and Industry Associations. This will also serve to make these parties aware of the commencement of the new system.

## **Fee Setting**

13. Fees are to be set locally by each authority on a cost recovery basis, but local authorities have a duty to have regard to guidance issued by Secretary of State. A copy of this guidance was attached to the Committee's report and specifies the issues that should be considered by authorities when setting the fee and what activities the fee can cover. This fee will be an essential component of the new regime as it will provide local authorities with the funding they need to administer the regime and to ensure compliance. It does not provide funding for enforcement.
14. The routine review of the level of fee will ultimately form part of the Council's annual adoption of fees and charges. However, because the Council has to be in a position to process applications as soon as the new system comes into effect we reviewed the recommended fee levels proposed. The Committee considered the basis upon which the fees were calculated and compared them to the fees being charged by other authorities. We agreed that to ensure compliance with the Act it will be necessary for officers to make two inspections during the licence term and we increased the proposed fees by £60 to take account of this. The Committee recommends the follows fees should be charged.

### **Proposed Fees**

#### **Site Licences:**

Application for a new licence - £315.00  
Application to renew a Site Licence - £215.00

#### **Collector's Licence**

Application for a new licence - £265.00  
Application to renew a licence - £260.00

#### **Variation of a Licence**

Routine - £40.00 e.g. Change of name of individual (deed poll or marriage) or of company (retaining the same company number) or correction of the register.

Other - £217.00 e.g. adding a new site onto the licence or change of manager of a site.

#### **Background Papers:**

Guidance issued by the Secretary of State  
Table of calculation of fees.