

## LICENSING COMMITTEE

10 SEPTEMBER 2013

### REPORT OF HEAD OF REGULATORY SERVICES

#### SCRAP METAL DEALERS ACT 2013

#### 1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to inform Members of changes to the regulatory regime in respect of Scrap Metal Dealers to be implemented through the provisions of The Scrap Metal Dealers Act 2013 and the increased duties and powers this gives the Council.

#### 2.0 RECOMMENDATIONS

- 2.1 **Members note and comment on the contents of this report.**

#### 3.0 KEY ISSUES

- 3.1 The Council regulates Scrap Metal Dealers within its area under the provisions of the Scrap Metal Dealers Act 1964. Currently all Scrap Metal Dealers must be registered and there is no fee for this registration.
- 3.2 The new Scrap Metal Dealers Act 2013 was introduced in response to the increase in metal theft offences in recent years. The Home Office has provided an estimate that theft offences are costing the economy up to £260 million per year. The ineffectiveness of the current regime was highlighted and the Government felt that reform was necessary.
- 3.3 On 3 December 2012 the Government introduced some changes to the regulatory regime through the Legal Aid, Sentencing and Punishment Act 2012, in particular the new offence of buying scrap metal for cash.
- 3.4 The Scrap Metal Dealers Act 2013 received Royal Assent on 28 February 2013 and will come into force on 1 October 2013.
- 3.5 Local Authorities remain principle regulators but a new licensing regime provides stronger regulation, including the power to refuse a licence to 'unsuitable' applicants, and the power to revoke a licence if a dealer becomes 'unsuitable'. Itinerant collectors of scrap metal are also now encompassed within the new licensing regime.
- 3.6 It will be an offence to carry on the business of a Scrap Metal Dealer in breach of the requirement to hold a licence.
- 3.7 There will be two types of licence, a site licence or a collectors licence. The site licence will be issued to those dealers with a site within the local authority area, which will authorise them to deal in scrap metal, to transport scrap metal and to collect scrap metal within the area. A site manager will be named on each licence.
- 3.8 A collectors licence will permit the collection of scrap metal but does not permit the collection of scrap metal from any other area. Therefore, all collectors will need a licence from each area in which they intend to collect. This includes commercial as well as domestic scrap metal. A collectors licence does not permit the use of a fixed site, they must obtain a site licence from the relevant authority.
- 3.9 Licences will be issued for a period of three years from the date of issue.

- 3.10 The Act requires that the licensing authority has to be satisfied that the applicant is a suitable person to carry on the business of a scrap metal dealer, in considering suitability the Local Authority may have regard to any relevant information. Applicants will be asked to provide a basic disclosure certificate in order to assess their suitability. The Home Office have reached agreement with the issuing body, that is Disclosure Scotland, allowing scrap metal dealers to apply for a disclosure as part of the application process.
- 3.11 The act allows a limited ability to add conditions to the licence, but this will only be done where circumstances are such that it is deemed necessary, that is where applicants or site managers have been convicted of relevant offences.
- 3.12 The Act requires that the licence must be displayed in a prominent place and in the case of mobile collectors it must be displayed in such a manner which makes it easily read by a person outside the vehicle.
- 3.13 The Act provides that the application must be accompanied by a fee. This fee is to be set by each local authority on a cost recovery basis and can only be used to pay for the costs associated with the licensing process. Each local authority must ensure that the income does not exceed the cost of providing the service. A separate report regarding the fee has been sent to Rural, Economic and Environmental Affairs Committee. A provisional fee of £300 for a site licence and £275 for a collectors licence has been recommended with the delegated authority to reassess when there is further guidance from the Home Office.
- 3.14 There are currently two registered Scrap Metal dealers in Melton Borough Council area. Under the transitional arrangements these dealers will be encouraged to apply in order to ensure that they are able to continue to trade legally.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

- 4.1 There are no Policy or Corporate implications

#### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 The cost of the licensing regime will be met from the fee income.

#### **6.0 LEGAL IMPLICATIONS/POWERS**

- 6.1 The 2013 Act replaces the current registration scheme The Council will be responsible for licensing and enforcement of the act.

#### **7.0 COMMUNITY SAFETY**

- 7.1 The new Act is expected to reduce the crime of metal theft and will benefit local residents and businesses.

#### **8.0 EQUALITIES**

- 8.1 It is not anticipated that there will be any impact on equalities although it is noted that many itinerant scrap metal dealers are often from traveller communities.

#### **9.0 RISKS**

- 9.1 There are no risks identified with this report.

#### **10.0 CLIMATE CHANGE**

10.1 There are no direct climate change implications as a result of this report

11.0 **CONSULTATION**

11.1 None

12.0 **WARDS AFFECTED**

12.1 All wards

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Date: 27 .8.2013

Appendices : None

Background  
Papers: None

Reference : X: Committees\?