



Licensing Committee

25 September 2013

Report Title	Scrap Metal Dealers Act 2013	
Classification	Public	
Accountable Strategic Director	Tim Johnson Education and Enterprise	
Originating service	Licensing Services	
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Recommendation(s) for action or decision:

The Licensing Committee is recommended:

- to endorse and approve the fee structure outlined within the report to enable applications to be received and processed from 1 October 2013
- to endorse and approve the delegation of decision making functions under the Act to the Strategic Director, Education and Enterprise, with a recommendation that he further delegate decision making as outlined within section 6.0 of this report.

Recommendations for noting:

The Licensing Committee is asked to note:

- the key provisions of the Scrap Metal Dealers Act 2013 and the proposed local implementation arrangements.
- the compliance and enforcement arrangements detailed at Section 5 of this report and agreed by Safer Wolverhampton Partnership Local Police and Crime Board.

1.0 Purpose

- 1.1 This report is intended to inform the Licensing Committee of the key provisions of the Scrap Metal Dealers Act 2013 and the proposed local implementation arrangements.
- 1.2 Licensing Committee is required to endorse and approve the proposed fees and charges as detailed at Section 5 of this report.
- 1.3 Councillors are also asked to endorse and approve the delegation of decision making functions under the Act to the Strategic Director, Education and Enterprise, with a recommendation that he further delegate decision making as outlined in section 6.0 of this report to enable transitional mechanisms to be in place in order that applications received can be processed from 1 October 2013.
- 1.4 The Licensing Committee is also asked to note the compliance and enforcement arrangements detailed at Section 7 of this report and agreed by Safer Wolverhampton Partnership Local Police and Crime Board.

2.0 Background

- 2.1 Between 2001 and 2012 the international price of ferrous scrap metal increased from \$77 per ton to over \$500 per ton, this increase is due to ever increasing demand for resources from developing economies. The consequences of this at a national level have been a significant increase in the theft and illegal trade of stolen metal.
- 2.2 The Association of Chief Police Officers (ACPO) have identified metal theft as the UK's fastest growing crime type and it is estimated to cost the economy £770m per year. The growth of metal theft across the country has included thieves regularly targeting infrastructure such as power lines, railway signals and manhole covers. Metal theft has also become an emotive and political issue with thefts reported from churches, schools and war memorials.
- 2.3 At a local level the Council itself has experienced spates of metal thefts including bin liners, manhole covers and gullies all being targeted. In 2009 the copper roof of Bushbury Crematorium was stolen causing extensive damage and costing thousands of pounds to replace.
- 2.4 In response to this national trend Richard Otterway MP tabled a Private Members Bill which was sponsored by the Home Office. The Bill proposed an overhaul of the regulatory framework governing the trade of scrap metal.
- 2.5 The Bill received Royal Assent on 28 February this year and became the Scrap Metal Dealers Act 2013.

3.0 Current Position

- 3.1 The Scrap Metal Dealers Act 1964 obliges every licensing authority to maintain a register of all persons carrying on a business in their area operating as a Scrap Metal Dealer. A Scrap Metal Dealer is defined as someone whose business is to buy and sell scrap metal.

- 3.2 Licensing Services currently has sixty four Scrap Metal Dealers registered. There is no registration fee.
- 3.3 The Vehicle (Crimes) Act 2001 and the Motor Salvage Operators Regulations 2002 provide the framework for the registration of Motor Salvage Operators. People or businesses are required to be registered as Motor Salvage Operators if they operate a business which involves the disposal of written off vehicles and the sale/re-use of salvageable parts from motor vehicles. The purpose of this registration scheme was to curtail the illegal trade in stolen vehicles.
- 3.4 Licensing Services has currently thirty two Motor Salvage Operators registered. The registration lasts for three years and a fee of £100 is required.
- 3.5 All enforcement activities under the current Scrap Metal Dealer and Motor Salvage Operator regimes are carried out by the police.

4.0 Scrap Metal Dealers Act 2013

4.1 The Scrap Metal Dealers Act 2013 will bring together the current registration schemes for Scrap Metal Dealers and Motor Salvage Operators and replace them with a single licensing regime.

4.2 The main provisions of the Act are as follows:-

- No person may carry on a business as a Scrap Metal Dealer unless licensed under the Act.
- There are two types of licence
 - (i) A Site Licence (authorises any site in a local authority area).
 - (ii) A Collectors Licence (authorises the licensee to carry on a business as a mobile collector in a local authority area).
- The licensing authority will be able to set fees locally for licences. However when determining fees regard will have to be had to the Home Office guidance.
- Applicants will have to satisfy the licensing authority they are a 'suitable person' to carry on a business as a Scrap Metal Dealer. The guidance will provide greater clarity as to the factors which will need to be considered in making this decision.
- A register of licences will be maintained by the Environment Agency.
- The Act makes it an offence for any Scrap Metal Dealer including collectors to buy scrap metal for cash.
- Requirement for detailed records to be kept for receipt and disposal of metal.
- Provides the police and licensing authorities with new powers to enter and inspect sites.
- Closure of unlicensed sites by the police and licensing authorities.
- Licences will be issued for three years.

- Licences can be refused, varied and revoked by the licensing authority with an appeal to the Magistrates Court.

4.3 The Home Office is responsible for the Act's commencement on 1 October 2013 and guidance in relation to the new Act.

5.0 Fees and Charges

5.1 Schedule 1 (6) of the 2013 Act provides that an application must be accompanied by a fee set by the Local Authority. Any fees levied should be set with reference to the actual costs to each authority. The fees and charges proposed in this section cover total cost recovery for the processing, determination and compliance of all licences granted under the Scrap Metal Dealers Act 2013. The fees have been arrived at in accordance with CIPFA approved guidelines.

5.2 The following fees and charges are proposed for the grant of licences under the Scrap Metal Dealers Act 2013:-

- Site Licence

One site	£450
Additional sites	£250 per site
 - Collector's Licence

Collector's licence	£160
Any additional authorised copy of a Collector's licence	£45
 - Variation fee
- £50

6.0 Delegations

6.1 Councillors are asked to endorse and approve the delegation to the Strategic Director, Education and Enterprise, of decision making functions under the Act with a recommendation that he will then delegate decision making as follows:-

- the grant a site or collectors licence with no representations – Licensing Officer
- the refusal, revocation, variation or review by way of adding conditions to a site or collector's licence – Licensing Manager/Head of Regulatory Services
- the issue of a closure notice, application to the Magistrates for a closure order and the termination of the order - Licensing Manager/Regulatory Services – Service Managers/Head of Regulatory Services
- authorisation of prosecution proceeding - Assistant Director for Regeneration or the Head of Regulatory Services

There is a right of appeal to the Magistrates Court against a decision of the authority under the Act, to include appeal against a condition, applied to the licence, under the Act.

7.0 Compliance and Enforcement Arrangements

- 7.1 Under the existing registration schemes all enforcement is carried out by the police, however the new Act will introduce enforcement powers for both licensing authorities and the police. It should be noted however that currently multi-agency days of action take place on a regular basis; these initiatives consider a raft of other issues outside the registration schemes and include various partners such as HMRC and the Environment Agency.
- 7.2 It is proposed that a multi-agency partnership approach will be adopted to enforcement and compliance activities as is the case with many existing licensing functions.
- 7.3 In the case of inspections at businesses that have applied for and been granted a licence under the new Act it is proposed that the licensing authority and the police will work in partnership and initially carry out joint visits to all such premises to assess the level of compliance with licence conditions.
- 7.4 Where licensed dealers are found to be non-compliant then these will generally be referred back to the licensing authority to conduct a review of the licence, although in some circumstances the police may also progress criminal proceedings based on any other criminal activities that are identified.
- 7.5 A partnership approach is also proposed for investigating businesses that are suspected through intelligence to be operating outside the licensing regime, with the police progressing any subsequent criminal proceedings including the offence of operating as a scrap metal dealer without a licence, which carries penalties on conviction of a fine of up to £5,000.
- 7.6 It is proposed that all enforcement and compliance activities are co-ordinated through the already established Responsible Authorities Forum.

8.0 Financial Implications

- 8.1 Guidance regarding fee setting were detailed in the Home Office guidance issued in August 2013.
- 8.2 The proposed fees and charges as detailed in Section 5 of this report will cover the administrative costs of processing the applications and compliance visits by employees together with any associated on costs. The fees have been arrived at in accordance with CIPFA approved guidelines. [TK/16092013/X]

9.0 Legal Implications

- 9.1 Contained within the main body of the report. [SH/13092013/H]

10.0 Environmental Implications

- 10.1 This report has environmental implications. The Council will work closely with partners to ensure that scrap metal dealers work inside the legislative framework to ensure environmental protection requirements are adhered to.