

NORTH LINCOLNSHIRE COUNCIL

LICENSING COMMITTEE

**LEGAL AID, SENTENCING AND PUNISHMENT OF OFFENDERS ACT 2012
& SCRAP METAL DEALERS BILL**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To advise members of the changes to Scrap Metal Dealers brought in by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 and to advise on the potential forthcoming changes under the Scrap Metal Dealers Bill.

2. BACKGROUND INFORMATION

- 2.1 In accordance with the provisions of the Scrap Metal Dealers Act 1964 businesses and people who deal in scrap metal must be registered with the local council.
- 2.2 Section 146 of The Legal Aid, Sentencing and Punishment of Offenders Act 2012 brought in a number of changes to the Scrap Metal Dealers Registration scheme from 3 December 2012.
- 2.3 The Act referred to in paragraph 2.2 amends the Scrap Metal Dealers Act 1964, by adding Section 3A which makes it an offence for scrap metal dealers to buy scrap metal for cash. Should a person be found guilty of such an offence, then they are liable on summary conviction of a fine up to level 5 (£5,000).
- 2.4 Scrap metal dealers are now required to pay either by cheque or via an electronic transfer of funds. Where payment is made by cheque, the dealer must maintain a book containing the details of the scrap received and details of the cheque and the full name and address of any person making a payment for the dealer, the full name and address of the person who is paid for the scrap and in the case of an electronic transfer, particulars identifying the said transfer.
- 2.5 In accordance with the guidance issued by the Home Office in October 2012, the provisions of the Act relates to any business who buys or sells scrap metal, Such businesses will be required to pay by the means identified in paragraph 2.3, with the exception of itinerant

collectors. Itinerant collectors are defined in section 9 of the Act, as “...a person who regularly engaged in collecting waste materials, and old, broken, worn out or defaced articles, by means of visits from house to house”.

- 2.6 In order to qualify for the exemption an itinerant trader must be registered and must have obtained a separate order under section 3(1) of the 1964 Act. Before granting the order under section 3(1) the council must first consult Humberside Police.
- 2.7 Itinerant traders still need to be registered otherwise they commit an offence.
- 2.8 In addition to the changes mentioned in paragraph 2.2, there is an additional Scrap Metal Dealers Bill progressing through Parliament. The proposed legislation changes the scheme from a registration to a licence. Businesses will be required to pay a licence fee and the council will be able to attach conditions where necessary.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 – To note the report regarding the current changes and to have a follow up report once the Scrap Metal Dealers Bill has received Royal Assent.
- 3.2 Option 2 – To note the report regarding the changes, without the need for a further report.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 – A further report would inform members of the revised legislation and guidance. Further, the current registration system does not allow a fee to be charged with will need to be set by the committee in the future.
- 4.2 Option 2 – Determination of the fees could be delegated to the Licensing Manager, which would reduce the need for a report, however it would result in members not being informed of the changes.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 There are no financial, staffing, property or IT implications from this report, however once the Scrap Metal Dealers Bill is introduced there will be additional income and an additional workload.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 The report has implications for businesses dealing with Scrap Metal and the enforcement of the provisions of the Act.

7. **OUTCOMES OF CONSULTATION**

7.1 All the registered businesses have been informed of the changes to the legislation and have been advised that they cannot pay cash for scrap metal. Further, the dealers have been advised that the new Scrap Metal Dealers Bill is on the horizon.

8. **RECOMMENDATIONS**

8.1 That the content of the report be noted and that a further report be presented to the Licensing Committee once the new Bill receives Royal Assent in line with Option 1 at paragraph 4.1.

DIRECTOR OF PLACES

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Background Papers used in the preparation of this report – N/a