

NORTH LINCOLNSHIRE COUNCIL

LICENSING COMMITTEE

SCRAP METAL DEALERS ACT 2013

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To advise members of the changes to Scrap Metal Dealers brought in by the Scrap Metal Dealers Act 2013 and to enable the Licensing Authority to be prepared for implementation

2. BACKGROUND INFORMATION

- 2.1 The Scrap Metal Dealers Act 2013 will bring in a number of changes to the way that Scrap Metal businesses are regulated from 1 October 2013.
- 2.2 The Act repeals the Scrap Metal Dealers Act 1964 (and linked legislation) and Part 1 of Vehicles (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries.
- 2.3 Bringing together the scrap metal and motor salvage schemes into this new regime will reduce duplication and the overlapping regimes for the vehicle salvage and scrap metal industries with a single regulatory scheme.
- 2.4 The Act also repeals and re-enacts the amendment to the Scrap Metal Dealers Act 1964 in section 146 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 which created the offence of buying scrap metal for cash. This offence prohibits scrap metal dealers from paying for scrap metal other than by cheque or electronic transfer, it applies to the scrap metal dealer, the site manager and any person who makes the payment acting for the dealer.
- 2.5 Scrap metal dealers will be required to obtain a licence in order to carry on business as a scrap metal dealer. It will be an offence to carry on business as a scrap metal dealer without first obtaining a licence. This offence is punishable on summary conviction with a fine not exceeding level 5 (£5,000).

- 2.6 An application for a licence must be accompanied by a fee. The fee will be set by the local authority on a cost recovery basis, but local authorities will have a duty to have regard to guidance issued by the Secretary of State. Having considered the implications and administrative process of the regime – it is proposed that the fee level for a site licence will be £885.00 and itinerants will be £290.00. The fees identified will generate an additional income of approximately £27,125. This will need to be re-invested into the Licensing service in order to deliver the service. It is proposed to increase the hours of the two licensing assistants by 13.5 hours per week to cover the additional work, which will cost £7,267 per year. This should enable the additional work to be covered.
- 2.7 The Act maintains local authorities as the principal regulator but gives them power by allowing them to refuse to grant a licence to an ‘unsuitable’ applicant, or to revoke a licence if an applicant becomes ‘unsuitable’. Suitability will be judged on a number of factors including any unspent relevant criminal convictions.
- 2.8 Licence Fees – Schedule 1 Section 6 (2) of the Act states that a Licensing Authority must have regard to any guidance issued by the Secretary of State when setting the fees. As no guidance has yet been issued it is proposed that a temporary fee is set until such time as guidance is issued. This fee shall be set as per 2.6.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 – To approve the report and the fees.
- 3.2 Option 2 – To reject the report and do nothing.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 – To approve the report would mean that we are prepared for the new Act when it comes into force on 1 October
- 4.2 Option 2 – To reject the report would mean that we are non-compliant when the new Act comes into force and that we are unable to enforce unlicensed scrap metal dealers

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

- 5.1 Financial – There will be a financial implication in that a fee will be submitted with an application, this will be set on a cost recovery basis. The fees have been set in accordance with the Provisions of Service Regulations 2009 and should achieve an income of £27k. The additional staffing required to deliver the service will cost just over £7k per year.

5.2 Staffing – We may need to increase the hours of two grade 4 Licensing Assistants to administer the system as current resources may not be enough. It is proposed to allow for an additional 13.5 hours to be split between the two Licensing Assistants.

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

6.1 Statutory – The Scrap Metal Dealers Act 2013 will come into force on 1 October 2013.

6.2 Section 17 (Crime and Disorder) - The implementation and enforcement of the new provisions under the Scrap Metal Dealers Act 2013 have been brought in to try and assist in combating problems on metal thefts.

7. **OUTCOMES OF CONSULTATION**

7.1 Formal Consultation will commence following the approval of this report.

8. **RECOMMENDATIONS**

8.1 That the report is approved and preparations can begin to ensure that we are compliant with the new Act on 1 October.

DIRECTOR OF PLACES

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