

**NORTH LINCOLNSHIRE COUNCIL**

**HIGHWAYS AND NEIGHBOURHOODS  
CABINET MEMBER**

**SCRAP METAL DEALERS ACT 2013**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To advise the Cabinet Member of the changes to arrangements for dealing with Scrap Metal Dealers brought in by the Scrap Metal Dealers Act 2013.

**2. BACKGROUND INFORMATION**

- 2.1 The Scrap Metal Dealers Act 2013 (The Act) will bring in a number of changes to the way that Scrap Metal businesses are regulated. The Act will take effect 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. It creates 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. It will end 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 The Act will require scrap metal dealers 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 A fee will apply to any application for a licence. The local authority will set fees on a cost recovery basis. They 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 to set the fee level for a site licence at £885.00 and for itinerants at £290.00.
- 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'. A number of factors will determine suitability 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 is as yet available it is proposed that a temporary fee is set until such time as guidance is issued 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 – The fees proposed should provide for sufficient income to cover any additional costs in administering the new arrangements. This includes any additional staffing costs (see below).
- 5.2 Staffing – We will need to increase the hours of the two existing Licensing Assistants in order to effectively administer the system. It is proposed to allow for an additional 13.5 hours split between the two licensing assistants. One would become 37 hours per week from 29.5 and the other 22 hours from 16 hours per week. This will incur additional staffing costs of £7,267.

**6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

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 will help to combat problems associated with metal thefts.

**7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

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**