

Report considered by Cabinet – 18 December 2013

INTRODUCTION OF THE SCRAP METAL DEALERS ACT 2013

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Executive Summary:

To inform the licensing changes being introduced and to implement the Scrap Metal Dealers Act 2013.

1. Recommendation(s)

- 1.1 That the new policy for Scrap Metal Dealers be agreed
- 1.2 That the fees for applications for site licences, multiple site licences, collectors licences and variations to licences under the Act be agreed.
- 1.3 That authority be delegated to the Head of Regulatory Unit to administer the licensing process and to grant, to refuse to grant or renew, impose conditions or revoke licences under the Scrap Metal Dealers Act 2013.

2. Background information

- 2.1 The increased value of metal has caused a growing problem of metal thefts in the UK. The Home Office has estimated that there were 80,000-100,000 reported metal theft offences in 2010/11 and it is costing the economy up to £260 million per year.
- 2.2 The measures contained in the Scrap Metal Dealers Act 2013 have been implemented with effect from 1 October 2013, the new Act repeals the Scrap Metal Dealers Act 1964 and Part 1 of the Vehicles (Crime) Act 2001 creating a revised regulatory regime for scrap metal recycling and vehicle dismantling industries in England and Wales. The Act was introduced in response to the growth in metal theft offences
- 2.3 The key aim of the Act is to revise the regulatory regime for scrap metal dealing and vehicle dismantling and to give the Police and Local Authorities more powers to refuse and revoke licences as well as greater rights of entry and inspection.
- 2.4 The Act brings in two different types of licence one being a site licence and the other a collectors licence. A person/company can only hold one type of licence in any one Local Authority but can hold a licence in more than one Local Authority.
- 2.5 The Act provides that an application for a licence must be accompanied by a fee. The fee will be set locally by each local authority on a cost recovery basis. Licences will be issued for 3 years.

3. **Issues**

- 3.1 The provisions of the Scrap Metal Dealers Act 2013 comes into force on the 1st October 2013.
- 3.2 Fees for these licences need to be set locally.
- 3.3 The policy for scrap metal dealers sets out the approach that Milton Keynes Council takes in respect of administration and enforcement of the legislation and provides guidance and direction for Officers when making decisions.

4. **Fees**

- 4.1 The Home Office has released guidance on fee setting which is included as Annex A to the Report. Annex C to the report is a spreadsheet with a detailed breakdown of expected costs which are used to create the proposed fee charges. The licence fee cannot be used to support enforcement activity against unlicensed scrap metal dealers therefore these costs cannot be considered when setting fee levels. The licence from the issue date remains in force for 3 years.
- 4.2 When setting fees the Council must have regard to the European Service Directive 2006/123/EC and the Provision of Services Regulations 2009. Any fee set must be proportionate to the cost of the procedures and formalities with which they deal.
- 4.4 Under the existing licensing regime Motor Salvage Operators are charged £123.40 for a licence and £72 for a variation and there is no fee for scrap metal dealers.
- 4.5 In summary the proposed fees are £405 for an Operator's Licence with an additional fee of £120 per additional site, £350 for a Collectors Licence and a fee of £20 or £205 to vary a licence fee charged dependent upon type of variation
- 4.6 Included in the fees are annual inspections of sites to include the inspection of the required record keeping.
- 4.7 It is proposed that these fees will be reviewed annually.

5. **Policy**

- 5.1 The policy sets out the approach Milton Keynes Council will take when discharging its powers and responsibilities contained in the Scrap Metal Dealers Act 2013. The proposed Policy is included in Annex B.
- 5.2 The Policy also sets out the proposed schedule of delegations for decision making.

6. **Options**

- 6.1 If endorsed by the Committee the Fees and Policy will come into force retrospectively as from the 1st October 2013.

6.2 The proposed fees or policy can be referred for further amendments or further consultation should the Committee consider necessary. The Committee should however consider the timescales involved with the implementation of this legislation.

7. **Implications**

7.1 Policy

This policy is based on legislation; Government advice, guidance; and good practice with valued input from stakeholders.

7.2 Resources and Risk

Increased use of available resources will be required to implement and enforce the new licensing regime. Fees are calculated on a cost recovery basis. At present we have 19 Scrap Metal Dealers and 8 Motor Salvage Operators registered. Currently registration for scrap metal incurs no fee and motor salvage operators pay a one off fee £123.40 to register with a fee of £72 for any variation.

Currently the income from the 19 scrap metal dealers and 8 motor salvage operators that are registered created a one off income on application of £987.20. If all the existing operators register under the new regime as well as a number of additional collectors the fee income can be estimated at, 13 sites an income of £5265 and 31 mobile collectors an income of £10850 a total income of £16115. The number of collectors that operate in the Milton Keynes area is an estimate as exact figures are not available.

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

7.3 Carbon and Energy Management

No impact.

7.4 Legal

The Council has a statutory duty and are responsible for licensing and enforcement under the new regime. Under the Scrap Metal Dealers Act 2013 there are currently in place transitional provisions in that those who held a previous licence can continue to hold one provisionally until 31st December 2013. After that new licences are required to be issued with the appropriate fee paid and DBS completed.

7.5 As all decisions apart from Policy and Fee setting have been delegated to officers the appeal process will be for a decision to refuse revoke or impose conditions on an application can be made to the magistrates' court. They must be made within 21 days of the applicant being given notice of the decision.

7.6 Other Implications

An Equality Impact Assessment was completed and recommended to continue with the decision. The Licensing Authority through this policy seeks to protect young people, promote disability equality and foster good community relations. This will be achieved by the use of both informal arrangements and the use of licence conditions to meet the licensing objectives if relevant representations are made, substantiated with evidence, and considered appropriate by the Licensing sub-committee. Further details can be found: <http://bit.ly/MKCEqIA-31>

The policy will have an impact on crime and disorder as it supports the promotion and the prevention of crime and disorder.

The policy will have an impact on those who require permissions under the Scrap Metal Dealers Act 2013. Previously scrap operators have not had to pay for a licence and there will be an increase in the fees charged to those business operating in motor salvage which is now covered by this legislation.

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	Y	Crime and Disorder

Background Papers:

- Get in on the Act Scrap Metal Dealers Act 2013 (Local Government Association)
- LGA Guide to the Scrap Metal Dealers Act 2013: Applications
- Scrap Metal Dealers Act 2013

Annexes: Annex A – Local Government Association Scrap Metal Dealer Act 2013: guidance on licence fee charges

Annex B – Proposed Scrap Metal Dealers Policy

Annex C – Proposed Fees