

REPORT ON THE SCRAP METAL DEALERS ACT 2013

1 Purpose

To draw Members attention to the new licensing regime in relation to scrap metal dealers.

2 Recommendations/for decision

For Members to note the new licensing regime in relation to scrap metal dealers.
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3 Supporting information

- 3.1 Metal theft has increased dramatically over the last couple of years and has a significant impact on communities. The Association of Chief Police Officers (ACPO) estimates that metal theft costs the UK economy £770 million every year. Up until recently local authorities have had limited powers in dealing with scrap metal dealers and motor salvage operators, who can play a significant role as part of the supply chain in stolen metals.
- 3.2 The Scrap Metal Dealers Act 2013 (the Act) replaces the previous registration system for scrap metal dealers created by the Scrap Metal Dealers Act 1964 and in its place it establishes a new licensing regime. Every scrap metal dealer will now be required to have a licence and operating without one will be a criminal offence. Also the definition of scrap metal has been extended to include motor salvage operators.
- 3.3 Under the new regime there are two types of licences. A site licence is required in relation to any site where a licensee carries on a business as a scrap metal dealer. A site manager has to be named for each site and the licence allows the licensee to transport scrap metal to and from those sites from any local authority area. A collector's licence allows the licensee to operate as a collector in the area of the issuing local authority. Therefore a separate licence has to be obtained from each Council the collector wishes to operate in. A dealer can only hold one type of licence in any one local authority area.
- 3.4 The new licensing regime will commence on 1 October 2013 and in order to provide time for councils to process applications the Home Office is implementing a transition process. The transition timeline is as follows and is tight:
- The commencement order to enable implementation of the transition arrangements was made in August 2013.
 - This allows local authorities to set licence fees from **1 September 2013**.
 - The main provisions of the Act commence on **1 October 2013** including the offence of buying scrap metal for cash.

- Dealers and motor salvage operators registered immediately before 1 October will be deemed to have a licence under the Act from 1 October.
- Provided the dealer submits an application for a licence on or before the 15 October 2013 their deemed licence will last until the Council either issues them with a licence or gives them notice of the decision to refuse them a licence.
- Where a dealer with a deemed licence fails to submit an application on or before 15 October the deemed licence will lapse on 16 October.
- Other scrap dealers, not previously registered will be able to apply for a licence from 1 October 2013 but will have to wait until a licence is granted before they can trade.
- Local authorities will complete suitability checks on applicants and decide whether to issue licences. The LGA recommends that decisions on whether to grant or refuse a licence to previously registered dealers are made before **1 December 2013**.

All other enforcement provisions within the Act commence on 1 December.

3.5 As the Council needs to be in a position to accept applications for licences from 1 October 2013, which means setting the fee for licences is an imperative, full Council will be asked at its meeting on 11 September 2013 to do the following: delegate to the Licensing Committee and, to the extent the Act permits, the Licensing Services Manager, all the Council's licensing functions pursuant to and in connection with the Act. This will allow the Licensing Services Manager to ensure that all necessary action is taken before the due date.

3.6 The Committee will have a full opportunity at its next meeting on 4 November 2013 to review all the interim arrangements made under the Act and approve all other matters such as the hearing procedures and the Council's approach to enforcement.

4 Options considered

None

5 Reasons for Recommendation

To ensure implementation of the new licensing regime in respect to scrap metal dealers.

6 Resource implications

Fees can be set to recover the full costs of running the service.

7 Response to Key Aims and Objectives

None specific.

Contact Officer
Background Documents

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