

Report to Regulatory Panel

Agenda
Item:

A.1

Meeting Date: 13th July 2016
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework
Public / Private Public

Title: SCRAP METAL DEALERS ACT 2013 - REVIEW OF FEES
Report of: Director of Governance
Report Number: GD38/16

Purpose / Summary:

The Scrap Metal Dealers Act 2013 received Royal Assent on the 28 February 2013 and came into force on 1st October 2013.

The purpose of the Act was to deliver reform of the scrap metal sector and provide effective and proportionate regulation, creating a more robust, local authority run, licensing regime. It supports legitimate dealers and also provides the powers to effectively tackle unscrupulous operators.

Fees were set and licences issued in October 2013. A review of fees is now proposed for licence renewals with effect from October 2016.

Recommendations:

Members are requested to note this report and agree the proposed fee increases.

Tracking

Executive:	1 st August 2016
Council:	N/A

1. Background

- 1.1 The Scrap Metal Dealers Act 2013 (“the Act”) repealed the Scrap Metal Dealers Act 1964 (and linked legislation) and Part 1 of the Vehicles (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries. Brief details of the provisions include:
- The local authority remained the principle regulator
 - the Act gave the local authority power to regulate who should and should not be licensed, allowing them to refuse a licence upon application or to revoke a licence at any time if they are not satisfied that the applicant is a suitable person to carry on business as a scrap metal dealer.
 - It created closure powers for unscrupulous dealers who operate without a licence.
 - It gave the local authority and the Police powers to enter and inspect premises.
 - It extended the record keeping requirements placed upon scrap metal dealers requiring the verification and identification of the people scrap metal dealers are transacting with.
 - The Act integrated the separate regulation for motor salvage operators with the scrap metal sector
 - It also created a fee raising power, to allow local authorities to recover the costs stemming from administering and seeking compliance with the regime.
 - It brought to an end the cash exemption given to itinerant collectors under the 1964 Act.
- 1.2 Since October 2013 Carlisle City Council has licensed 9 sites and 28 mobile collectors

2 Summary of the Act

- 2.1 The Act defines a “scrap metal dealer” as a person who is for the time being carrying on business as a scrap metal dealer, whether or not authorised by a licence.
- 2.2 It further defines what is and is not “scrap metal”.
- 2.3 Section 1 of the Act requires that a scrap metal dealer obtains a licence from the local authority in order to carry on business as a scrap metal dealer. It will be an offence to carry on a business as a scrap metal dealer in breach of the requirement to hold a licence.
- 2.4 There are two types of licence specified within the act, one is for a **site licence** and the other is for a **mobile collector licence** (carrying on business otherwise than at a site).

Alicence authorises the licensee to carry on business as a scrap metal dealer at the sites listed in it (in the case of a site licence) or within the local authority area (in the case of a mobile collector's licence).

Site licences

A site licence requires all of the sites at which the licensee carries on the business as a scrap metal dealer within the local authority area to be identified and a site manager to be named for each site. In doing so, they will be permitted to operate from those sites as a scrap metal dealer, including transporting scrap metal to and from those sites from any local authority area.

Collector's licences

A collector's licence authorises the licensee to operate as a mobile collector in the area of the issuing local authority, permitting them to collect any scrap metal as appropriate. This includes commercial as well as domestic scrap metal. The licence does not permit the collector to collect from any other local authority area. A separate licence should be obtained from each local authority from which the individual wishes to collect in. A collector's licence does not authorise the licensee to carry on a business at a site within any area. Should a collector wish to use a fixed site, they will need to obtain a site licence from the relevant local authority.

- 2.5 Licences are issued for a period of three years from the date of issue.
- 2.6 The licensing authority has to be satisfied that an applicant is a suitable person to carry on business as a scrap metal dealer. In considering suitability, the local authority may have regard to any relevant information, including whether any relevant enforcement action has been taken against the applicant or whether the applicant has been convicted of a relevant offence. The authority must also have regard to any guidance on determining suitability which will be issued from time to time by the Secretary of State, and the authority may consult with other organisations to assist in determining suitability.
- 2.7 When issuing a licence the authority may impose conditions on it if the licensee or site manager has been convicted of a relevant offence.
- 2.8 Section 4 provides the licensing authority with the discretion to revoke a licence on particular grounds, including where the local authority is no longer satisfied that the licensee is a suitable person to carry on the business as a scrap metal dealer.
- 2.9 Section 4 also allows the licensing authority to vary a licence, imposing the conditions if the licensee or a site manager is convicted of relevant offence.
- 2.10 The Act also contains provisions for:
 - Requirements to display licences;
 - Requirements to verify identity;
 - Requirements for record keeping
 - Police objections to licence applications;
 - Appeals;
 - Revocation of licences;
 - Imposition of conditions on licences;

- Variation of licences.

3 Fee setting

3.1 Fees are set locally by each authority on a cost recovery basis. These costs reflect:

- time spent on assessment , processing and administration of applications;
- time spent by experienced licensing officers in reviewing licences;
- storing records;
- consulting and considering the suitability of an applicant, including;
 - reviewing relevant offences;
 - decision making on whether to issue;
 - Consulting the local authority's enforcement records in order to determine
 - the suitability of the applicant;
- cost of issuing the licence in the format that can be displayed;
- costs associated with contested licence applications, including considering oral and written representations when objections to a licence are received;
- Reviewing costs of fees as to whether they remain appropriate;
- Transmitting information about a licence for National Register purposes;

3.2 Fees differ and this will reflect the extra work involved in processing the different types of licences.

3.3 Having taken the Home Office guidance into consideration and bearing in mind the points listed under para. 5.1, the following appropriate fees were set as at 1st December 2013:

3 year Site Licence

Grant	£400.00
Renewal	£400.00
Vary name	£30.00
Vary site manager	£50.00
Vary Site/Collector or add site	£100.00

3 year Collector's Licence

Grant	£240.00
Renewal	£240.00
Vary name/address	£30.00

In subsequent years these fees will form part of the normal charging review process of the Council and may be amended within the 2018/2019 charging review, effective from 1st October 2019.

4. PROPOSED FEE STRUCTURE 1ST October 2016 – 1ST October 2019

3 year Site Licence

Grant	£415.00
Renewal	£415.00
Vary name	£30.00
Vary site manager	£50.00
Vary Site/Collector or add site	£165.00*

3 year Collector's Licence

Grant	£250.00
Renewal	£250.00
Vary name/address	£30.00

The proposed fees reflect an approximate 2-4% increase which is similar to that applied to other licences as detailed in the charging review report to Executive in November 2015, with the exception of a variation of a licence from Site to Collector (and vice-versa).

5. Options

It is recommended that, after reading the report and hearing from the Officer, Members should:

1. Note the report
2. Approve the fee structure as proposed in section 4

Contact Officer: Sue Stashkiw
Licensing Manager

Ext: 7029

Appendices NONE
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Deputy Chief Executive –

Economic Development –

Governance – Fees should be set on a cost recovery basis in accordance with the principles set out in the report.

Local Environment –

Resources -