
THE SCRAP METAL DEALERS ACT 2013 AND DELEGATIONS

To: **Cabinet – 12th September 2013**

Main Portfolio Area: **Corporate and Regulatory Services**

By: **Regulatory Services Manager**

Classification: **Unrestricted**

Ward: **All Wards**

Summary: **This report reviews the Scrap Metal Dealers Act 2013 and delegations.**

For Decision

1.0 Introduction and Background

- 1.1 In 2012 the Government produced a Bill setting out proposals for a new licensing regime for scrap metal dealers. Increases in metal theft driven by the rise in commodity prices cost the economy between £220 million and £777 million a year according to two recent estimates. It has seen disruption to energy supplies, transport and telecommunications, as well as manhole covers stolen and war memorials desecrated.
- 1.2 The current system of registration of scrap metal dealers with local authorities has operated since 1964. The 2013 Scrap Metal Dealers Act repeals the Scrap Metal Dealers Act 1964 and brings forward a revised regulatory regime for the scrap metal dealing and vehicle dismantling industries. The Act maintains local authorities as the principal regulator of these industries. It gives local authorities the power to better regulate these industries by provided a power to refuse to grant a licence and revoke licences if the dealer is considered 'unsuitable'. Unsuitability will be based on a number of factors including any relevant criminal convictions. The Act will also provide local authorities and police officers with suitable powers of entry and inspection.

2.0 The Current Situation

- 2.1 There are currently fifteen premises registered under the 1964 Act as scrap metal dealers in Thanet. Premises register for a three year period and there is no fee payable for registration. Registration is issued by the Licensing Department.
- 2.2 The 2013 Act is likely to come into force in October 2013. Premises registered will need to apply for a transitional licence between September and November 2013. There will be two different types of scrap metal licence. One is a site licence, the other a collector's licence. Collectors' licences cover dealers who do not have a site and regularly collect through door-to-door collections. A site licence allows the dealer to carry on business at any sites in the councils' area listed on the licence, while the collector's licence allows a dealer to carry on business in a councils' area. A separate collector's licence will be needed to operate in another local authority area from that authority. The collector's licence will have to be displayed in any vehicle used in the course of their business so that it can be read by a person outside the vehicle.
- 2.3 Councils will need to be satisfied that an applicant is a suitable person to operate as a dealer before issuing either licence. The Council will be able to consult other local

authorities, the Environment Agency and the Police. Conditions may be imposed upon licences restricting hours. Licences will last for three years unless revoked.

2.4 The 2013 Act allows local authorities to charge a licence fee, which is set locally. In setting the fee, local authorities have to have regard to any guidance issued by the Secretary of State. The Licensing Department is currently responsible for registering scrap metal premises. The Department is required to be self-financing. It may therefore be appropriate for fees to be set by the Regulatory Services Manager in consultation with the relevant Cabinet portfolio holder. The fee would then be agreed annually by Council as are other licensing fees.

2.5 It will be necessary for the Council to put in place appropriate procedures for considering applications and deciding whether an applicant is a suitable person to carry on business as a scrap metal dealer. Applicants will be able to make representations where a licence application could be refused, revoked or varied. The Licensing Board has responsibility for licensing including alcohol, taxi and gambling. It would therefore appear appropriate for the Licensing Board to hear applications where representations are to be made.

3.0 Options

3.1 To recommend that Full Council delegates to the Licensing Board the power to grant, refuse, revoke or vary applications under the 2013 Scrap Metal Dealers Act where representations are to be made. Non-contentious applications without representations may be granted by the Regulatory Services Manager under delegated powers. Fees to be set by the Regulatory Services Manager in consultation with the relevant Cabinet portfolio holder, then agreed annually by Council.

3.2 To recommend that Full Council, or another Committee consider applications and fees under the 2013 Act.

4.0 Corporate Implications

4.1 Financial

4.1.1 Fees must be set having regard to guidance issued by the Secretary of State. Fees may be levied by reference to the actual cost of administering the regime and ensuring compliance.

4.2 Legal

4.2.1 Appropriate procedures need to be in place for considering applications. There are rights of appeal to the Magistrates' Court.

4.3 Corporate

4.3.1 To be able to carry out its functions under the Act the Council will have to decide where applications should be determined.

4.4 Equity and Equalities

4.4.1 There are no specific equity and equality considerations that need to be addressed in this report.

5.0 Recommendation

5.1 To recommend that Full Council delegates to the Licensing Board the power to; grant, refuse, revoke or vary applications under the 2013 Scrap Metal Dealers Act where representations are to be made. Non-contentious applications without representations may be granted by the Regulatory Services Manager under delegated powers. Fees to be set by the Regulatory Services Manager in consultation with the relevant Cabinet portfolio

holder and then agreed annually by Council.

6.0 Decision Making Process

6.1 Full Council to consider in October.

Contact Officer:	Philip Bensted, Regulatory Services Manager
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Annex List

None	
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Background Papers

Title	Details of where to access copy
<i>None</i>	

Corporate Consultation Undertaken

Finance	
Legal	Harvey Patterson, Corporate and Regulatory Services Manager