



<b>Briefing Report for:</b>	<b>Regulatory Committee</b> <b>23<sup>RD</sup> May 2013</b>	<b>Item number</b>	
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<b>Title:</b>	INFORMATION PAPER ON NEW SCRAP METAL DEALERS ACT 2013
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<b>Report authorised by :</b>	Stephen McDonnell – Deputy Director Place and Sustainability
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<b>Lead Officer:</b>	DALIAH BARRETT – Licensing Team Leader
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<b>Ward(s) affected: ALL</b>	<b>Report for Key/Non Key Decision:</b>
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## 1. Summary

- 1.1 The Scrap Metal Dealers Act 2013 (the Act) was passed on 28<sup>th</sup> February 2013 and is due to come into force later this year in October. The new Act will replace the Scrap Metal Dealers Act 1964 and part of the Vehicle Crime Act 2001 that deals with motor salvage operators. The Act revises the regulatory regime for scrap metal dealing and vehicle dismantling. Local Authorities will continue to act as the main regulator but the new act gives the authorities more powers to including the power to refuse a license and powers to revoke licenses if the dealer is considered unsuitable. Both the local authority and the Police have been given powers to enter and inspect premises.

## 2. Recommendation

The Committee is recommended to note the report

## 3. Background information

- 3.1 There has been an increase in metal theft with the increased value of metal across the UK as a whole. A wide range of sectors have been hit including national transport, electricity and telephone links, street



furniture, memorials, commercial and residential buildings including churches and schools.

**3.2** The Government introduced initial changes in 2012 that took steps to prohibit cash payments for scrap metal and amend the powers of entry into unregistered scrap metal sites and increase the existing financial penalties for offences under the Scrap Metal Dealers Act 1964. These changes were brought in under the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

**3.3** The borough has been a victim of such theft, with reported drain coverings being removed, we have also had an increase in the number of people applying for registration as scrap metal dealers in the borough as a whole.

#### **4. Key features of the Act**

**4.1** The aim of the legislation 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 licenses as well as greater rights of entry and inspection.

**4.2** The Act brings in two types of licenses either a site license or a collectors license. A person can only hold one license in a Local Authority's area but can hold a license in more than one local authority.

**4.3** An applicant for a license must be suitable and the local authority, when determining suitability, can have regard to:

- Whether the applicant or any site manager has been convicted of any relevant offence.
- Whether the applicant or any site manager has been the subject of any relevant enforcement action
- Any previous refusal for issue of or renewal of a scrap metal license.
- Any previous refusal for an environment permit or registration
- Any previous revocation of a scrap metal license.
- Whether the applicant has demonstrated that there will be adequate procedures to comply with the Act

All of the above will apply to any director, or any secretary of a company if the applicant is not an individual.

**4.4** Once an application has been received the local authority must consult with:

- Any other local authority (if an application has been made or license issued to the same applicant)
- The Environment Agency
- The Police.

**4.5** The Act has also introduced the requirement for the Environment Agency to keep and maintain a register of scrap metal licenses issued in England and that register will be open for public inspection.

**4.6** The Act will introduce the requirement for scrap metal dealers to verify the identity and full name and address of the metal supplier and keep copies of proof of identification. In addition the dealer must keep records of the type of



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description of the metal(s) including weight and identifying marks, the date and time of receipt, the vehicle registration of any vehicle delivering the metal and copies of cheques used to pay for metal. All records must be kept for 3 years. The Act also prohibits the payment of cash for metals.

- 4.7** Local Authority and Police Officers have been given powers to inspect licensed premises and can require production of any scrap metal at the premises, inspect records kept and take copies of those records. The Act provides police or local authority powers to issue closure notices to unlicensed scrap metal dealing premises and apply to a justice of the peace for a closure order.
- 4.8** The current legislation only permits registration with basic information and no fee payable. The new Act will require more detailed information to be submitted on application and will allow the local authority to set a fee. The fee must be cost recovery and local authorities will have to have regard to guidance issued by the Secretary of State.
- 4.9** The Home Office will issue guidance and Regulations latter in the year. A further report will be prepared to the Regulatory Committee setting out proposed procedures and fee levels once the Home Office releases this information.