

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO LICENSING COMMITTEE

24 OCTOBER 2013

REPORT OF THE ASSISTANT CHIEF EXECUTIVE LEGAL AND REGULATORY SERVICES

SCRAP METAL DEALERS ACT 2013

1. Purpose of Report.

To update the Committee on progress to implement the Scrap Metal Dealers Act 2013.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

The proposals support a number of corporate priorities including making the best use of our resources, and making the County a great place to live, work and visit.

3. Background.

3.1 The increase in metal theft offences and impact on local communities has led to a regulatory reform of the scrap metal sector. The impact of metal theft has been felt across a range of sectors in the UK including power, transport and telecommunications. Other affected sectors include wireless, water supply, religious/heritage buildings, construction, and local authorities. The scrap metal industry is also a victim of metal theft with the British Metals Recycling Association estimating that £500,000 worth of metal is stolen from yards each year.

3.2 The 2013 Act contains additional provisions to raise standards in the industry, replacing the overlapping regimes for the vehicle salvage and scrap metal industries with a single regulatory scheme and making Councils responsible for the licensing and enforcement of the Act alongside the Police. The 2013 Act replaces the Scrap Metal Dealers Act 1964 and the Vehicles (Crime) Act 2001.

4. Current situation / proposal.

4.1 Some of the changes due to be implemented by 1 December 2013 are set out below:

4.1.1 The creation of a central public register containing details of all businesses and individuals licensed as scrap metal dealers which will be maintained by Natural Resources Wales (NRW).

4.1.2 The establishment of two types of licences, either a site/premises licence or a mobile collectors' licence. The licence allows a business to trade as a scrap metal dealer at the premises identified, or in the case of a collectors licence to collect scrap metal within the Council boundary.

- 4.1.3 A suitability test including consideration of any convictions or refusals of licences.
- 4.1.4 Provision for a consultation process which it is proposed, will include Natural Resources Wales, the South Wales Police, and other local authorities, with the power to turn down unsuitable applicants. There are also provisions to vary and revoke licences. The Council's Communities Directorate (Regeneration and Development and Streetworks and Public Protection Pollution Control and Trading Standards Sections will also play a key role in the consultation and compliance process.
- 4.1.5 More robust record keeping including the prohibition on the payment of cash for metal. Police and Council officers will be 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. Additionally, the Act provides the Police and the Council with power to issue closure notices and apply to a justice of the peace for a closure order.
- 4.1.6 As well as the option to issue a closure order, the Council now has the power to revoke a licence. The ban on cash being used to buy scrap metal also came into effect on 1 October 2013 to help tackle the problem of metal theft. Payment for scrap metal must now be linked to a readily identifiable bank account for both the payee and the payer.
- 4.2 The Home Office set a timetable for transition from previous licensing regimes covering scrap metal dealers and motor salvage operators and applications had to be submitted before October 15 2013. The transitional phase of implementation will allow those scrap metal dealers and motor salvage operators currently registered under the previous legislation to continue trading until they receive a licence under the new Act. To date the Council has received 14 applications from both the site and mobile sector. Initial discussions have taken place with the South Wales Police to inform an enforcement strategy for the County Borough.
- 4.3 Under the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007, the function is by default an Executive function and Cabinet approved the fee structure at its meeting on 17 September 2013.
- 4.4 The current fees are £335 for the grant, and variation of a site licence, and £165 for the grant and variation of a collector's licence. Cabinet also approved special consideration for businesses which held a licence under a previous regime and which did not have the full benefit of the licence. A reduced fee of £270 was applicable to qualifying Motor Salvage Operators.
- 4.5 The Committee is also requested to note that arrangements to exercise the functions of the Scrap Metal Dealers Act 2013 are delegated to the Assistant Chief Executive Legal and Regulatory Services in the interim period.
- 4.6 The Committee will receive a further report once the transitional licensing process has been completed.

5. Effect upon Policy Framework & Procedure Rules.

5.1 There is no impact on the policy framework or procedure rules

6. Equality Impact Assessment

6.1 This is new legislation and data is not available on the likely impact on equality issues. An equality impact screening has identified the need for a survey of businesses and individuals to identify specific issues once the initial application process has concluded. Initial telephone contact with potential applicants revealed no specific equality issues.

7. Financial Implications.

7.1 On 17 September 2013, Cabinet approved the charging structure for licences as set out above.

8. Recommendations

8.1 The Committee is requested to note the contents of this report.

P A Jolley

Assistant Chief Executive Legal and Regulatory Services

18 October 2013

Contact Officer: Yvonne Witchell Licensing and Registration Officer

Telephone: (01656) 643105

E-mail: Yvonne.Witchell@bridgend.gov.uk

Postal Address Civic Offices, Angel Street, Bridgend, CF31 4WB

Background documents

Scrap Metal Dealers Act 2013 impact assessment available from

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/143807/scrap-metal-dealers-ia.pdf

Home Office Guidance available at www.homeoffice.gov.uk Scrap Metal Dealer Act 2013: guidance on licence fee charges.

Local Government Association Knowledge Hub resource