

Subject:	Setting licence fees: Scrap Metal Dealers Act 2013		
Date of Meeting:	21 November 2013		
Report of:	Executive Director Environment, Development & Housing		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report sets out the proposed fees for licences applied for under the new Scrap Metal Dealers Act 2013, issued by the Licensing office within Regulatory Services. The legislation confirms that the Authority should set the fees for these licences.

2. RECOMMENDATIONS:

- 2.1 That the proposed fees, as set out in Appendix 3 of this report, are agreed by members.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Central Government has introduced a new piece of legislation, The Scrap Metal Dealers Act 2013 (the 2013 Act), to help tackle the growing national problem of metal theft.
- 3.2 Previously, the scrap metal industry was regulated by the Scrap Metal Dealers Act 1964, which required scrap metal dealers to register with the Local Authority for the area in which they operated or lived. Registration lasted for 3 years. A registration fee was not required and the legislation gave very limited powers to authorised officers.
- 3.3 Similarly, Part 1 of the Vehicles (Crime) Act 2001 required those in the vehicle dismantling industry to register with their Local Authority, without fee and with limited powers for officers.
- 3.4 It was recognised that the existing regulation of scrap metal dealers had become ineffective and the existing legislation was outdated and not an effective tool to deal with the increasing metal theft problem.
- 3.5 The 2013 Act received Royal Assent on the 28 February 2013, delivering much needed reform of the scrap metal sector. Parts of the legislation came in to force on 1 October 2013, with the full legislation becoming enforceable from 1 December 2013.

- 3.6 The 2013 Act provides effective and proportionate regulation of the sector, by introducing a robust, Local Authority run, licensing regime. The legislation supports legitimate scrap metal dealers yet provides officers with more powers to effectively tackle unscrupulous operators. It will raise trading standards across the whole sector.
- 3.7 The 2013 Act repeals the old legislation and brings forward a revised combined regulatory regime for the scrap metal dealing and vehicle dismantling industries. The Act maintains local authorities as the principal regulator and increases their powers to refuse and revoke licences.
- 3.8 In addition, it requires a national register of dealers to be set up and maintained by the Environment Agency, with all Local Authorities supplying regular updated information for this register.
- 3.9 The 2013 Act creates two different types of licence: a 'site licence', allowing a dealer to carry on business at any sites in the issuing Local Authority area, as listed on the licence; and: a 'collector's licence', allowing dealers who do not have a site and regularly collect through door to door collections.
- 3.10 The collector's licence will only allow the collection of metal to be carried out in the issuing Local Authority area. This means that collectors working in different areas will require a licence from each Local Authority responsible for each area that they collect in.
- 3.11 Both licences will be issued for a three year period and must be displayed on the site premises in an area open to the public and also clearly on view on any vehicle used by a collector.
- 3.12 The 2013 Act introduces a "suitable person" test, requiring the Local Authority to be satisfied that any applicant is a suitable person to operate as a dealer.
- 3.13 In reaching a decision over suitability, Local Authorities will be able to consider any relevant information, this includes a basic Disclosure and Barring Service check and other enforcement information obtained from the Police and the Environment Agency.
- 3.14 The issuing Local Authority will be able to add conditions to a licence where dealers or their site managers have been convicted of relevant offences. The power to vary, refuse or revoke an existing licence is also contained in the 2013 Act. The 2013 Act also contains extensive powers of entry for Police and authorised officers from Local Authorities, and requires a more stringent record keeping system for the dealers.
- 3.15 The 2013 Act allows Local Authorities to set locally agreed fees for the licences. Central Government has decided not to impose either a set fee or a cap, but has stated that it expects authorities to be broadly similar in their fee setting regime. It also expects different levels of fee for the two types of licence, the site licence attracting the higher fee due to the need for an inspection process.

- 3.16 The fee setting process further states that authorities must have regard to the guidance on such matters, which has very recently been issued by the Secretary of State and is attached at Appendix 1.
- 3.17 Also attached, at Appendix 2, is Local Government Association guidance on 'Applications' for licences made under the 2013 Act. Page 10 of this document gives additional guidance to Licensing Authorities on setting fees.
- 3.18 As with all licence fees the European Court Directive is clear they must be based on cost recovery of the process used, and cannot be set to generate surpluses for licensing authorities.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

None.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Council's finance officer and legal services consulted.

6. CONCLUSION

Licensing Authorities have a duty to set fees for Scrap Metal Dealers.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The proposed fees have been set in accordance with the relevant legislation and are based on a level which is reasonably expected to recover costs. The fees will be reviewed annually in accordance with the corporate fees and charges policy.

Finance Officer Consulted: Steven Bedford Date: 18/10/2013

Legal Implications:

- 5.2 The legal implications are contained within the body of the report.

Lawyer Consulted: Rebecca Sidell Date: 18/10/2013

Equalities Implications:

- 5.3 There are no direct equalities implications.

Sustainability Implications:

- 5.4 There are no direct sustainability implications.

Any Other Significant Implications

None.

SUPPORTING DOCUMENTATION

Appendices:

1. Secretary of State issued Fee Guidance
2. Local Government Association issued Application guidance
3. Breakdown and recommended fees

Documents in Members' Rooms

1. None

Background Documents

1. None