



<u>Committee and Date</u>
Strategic Licensing Committee
20 June 2018

<u>Item</u>
11
Public

SCRAP METAL DEALERS ACT 2013 - UPDATE ON THE LICENCES ISSUED AND ENFORCEMENT ACTION TAKEN SINCE THE SCRAP METAL DEALERS ACT 2013 CAME INTO EFFECT.

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1. Summary

- 1.1 The purpose of this report is to provide the Committee with information in regard to the number of licences issued, licences renewed and the enforcement work that has been undertaken since the Scrap Metal Dealers Act 2013 (the Act) came into effect.
- 1.2 The Act made provision for two different types of scrap metal licences a collector’s licence and a site licence. Collector’s licences are for scrap metal collectors who do not have a site and regularly collect through door-to-door collections. A collector’s licence issued by Shropshire Council would not allow a collector to operate in any other local authority area, a separate licence from each local authority would have to be obtained by the collector. A site licence allows the dealer to carry on business at any sites situated in the council's administrative area and allows them to collect by pre-arrangement.
- 1.3 The Act requires scrap metal dealers to be assessed for suitability before licences are granted or renewed. It gave local authorities the power to impose conditions on licences, revoke licences and tighten up how trading is conducted and allow local authorities and the Police to close down unauthorised sites.
- 1.4 The chart below shows the total number of new Scrap Metal Site and Scrap Metal Collector Licences by financial year since the Scrap Metal Dealers Act 2013 came into effect.

Financial Year	Scrap Metal Site Licence	Scrap Metal Collectors Licence
	New	New
01/09/13 to 31/03/14	13	34
01/04/14 to 31/03/15	6	2
01/04/15 to 31/03/16	2	2
01/04/16 to 31/03/17	3	0
01/04/17 to 31/03/18	0	1

1.5 Shropshire Council's Licensing Service currently licence a total of 12 Scrap Metal Sites and 12 Scrap Metal Collectors¹.

Renewals

1.6 Scrap Metal Collectors and Scrap Metal Dealers licences once granted last for 3 years.

1.7 Before issuing a licence the Council is required to be satisfied an applicant is a suitable person to operate as a dealer, and may consult with any other local authority, the Environment Agency and the Police. In deciding if someone is suitable the Council can consider any information deemed as relevant, including whether the dealer or their site manager has been convicted of a relevant offence.

1.8 Local Authorities only have discretion over the following issues:-

- The information it considers to be relevant when assessing an applicant's suitability.
- The Act permits local authorities to consider convictions for a relevant offence, previous relevant enforcement action, previous refusal or revocation of a scrap metal licence, demonstrating adequate compliance measures and anything else it considers to be relevant.
- The Council will also take into consideration any relevant complaints received.

1.9 When a licence is due to expire the Licensing Service send out a reminder letter to the licence holder inviting them to complete a renewal application. Upon receipt of the application the Licensing Service arrange for each applicant to be interviewed in regard to their application, the records they maintain and if required, further advice and help to complete the application is given to the applicant. The checks are undertaken to ensure that the Licensing Service continue to be satisfied that a licence holder remains suitable to hold a licence.

1.10 The chart below shows the total number of renewal Scrap Metal Site and Scrap Metal Collector Licences by financial year since the Scrap Metal Dealers Act 2013 came into effect.

Financial Year	Scrap Metal Site Licence	Scrap Metal Collectors Licence
	Renewal	Renewal
01/09/13 to 31/03/14	0	0
01/04/14 to 31/03/15	0	0
01/04/15 to 31/03/16	0	0
01/04/16 to 31/03/17	8	9
01/04/17 to 31/03/18	2	0

¹ Figures correct as at 1 June 2018.

Enforcement

- 1.11 Enforcement checks are undertaken by the Licensing Service jointly with colleagues from the Investigation Team and the Police. Licence holders are required to prove that they are meeting the requirements under the Act.
- 1.12 Enforcement officers use other powers contained in the Act whilst undertaking proactive enforcement, these include the requirement for:
- Licence holders to display their licence
 - Scrap Metal Dealer's to carry out stricter identity checks on anyone they receive scrap metal from
 - Scrap Metal Dealer's to keep records of any scrap metal received or disposed of
 - Checks to ensure that licence holders do not make cash payments for metal. Payments should only be made by non-transferable cheques or an electronic transfer of fund payments
 - Local authorities and the Police to use the power under the Act to enter and inspect licensed premises, inspect and take copies of records and require the inspection of any scrap metal
 - The Police or the Local Authority to obtain a closure order from a Magistrates' Court to close unlicensed sites.

- 1.13 The chart below shows the total number of enforcement checks undertaken on Scrap Metal Sites and Scrap Metal Collectors by financial year.

Financial Year	Scrap Metal Site Licence		Scrap Metal Collectors Licence	
	Inspection	Further Action Taken	Inspection	Further Action Taken
01/04/14 to 31/03/15	27			
01/04/15 to 31/03/16			3	1
01/04/16 to 31/03/17	9		1	1
01/04/17 to 31/03/18	17		3	

Formal action

- 1.14 On the 19 October 2015 a Simple Caution was issued to a collector for collecting without a licence.
- 1.15 On the 26 October 2016 a collector was prosecuted for two offences, failing to keep records and failing to verify name and address of person supplying scrap. The collector received a Conditional Discharge for 2 years, was ordered to pay costs of £979.48 and a victims surcharge of £15.

2. Recommendation

- 2.1 That members note the position as set out in the report.

REPORT

3. Risk Assessment and Human Rights Act Appraisal

- 3.1 This is an information report giving Members information on the work undertaken by the Licensing Team and therefore a risk assessment and opportunities appraisal has not been carried out.

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Background

- 5.1 Regulation has applied to scrap metal dealers since at least the late 19th Century. The legislation was set out in the Scrap Metal Dealers Act 1964 until 2013 when the Scrap Metal Dealers Act 2013 received Royal Assent. The 1964 Act required district councils to maintain a register of persons trading in their area as scrap metal dealers. Failure for the metal dealer to inform the council of their operations attracted a fine of up to £1000 and registration would take place every three years.
- 5.2 The Scrap Metal Dealers Act 2013 (the Act) received Royal Assent on 28th February 2013 and was phased in between 1st September 2013 and 1st December 2013. The Act provides the legislative framework in relation to the licensing of Scrap Metal Dealers including Motor Salvage Operators.
- 5.3 At the time the Act came into effect Shropshire Council licenced 30 Scrap Metal Dealers and 12 Motor Salvage Operators. (Under the Act Scrap Metal Dealers and Motor Salvage Operators are licenced as Scrap Metal Dealers – Site Licences.)
- 5.4 At the time the Act came into effect Shropshire Council did not licence any door to door collectors. (Under the Act door to door collectors are licenced as Scrap Metal Dealers - Collectors Licences.)
- 5.5 The Act requires scrap metal dealers to be assessed for suitability before licences are granted or renewed. It gives local authorities the power to impose conditions on licences, revoke licences and tighten up how trading is conducted and allow local authorities and the Police to close down unauthorised sites.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Scrap Metal Dealers Act 2013.

Strategic Licensing Committee Report - Scrap Metal Dealers Act 2013 dated 25th September 2013.

Cabinet Member: Councillor Joyce Barrow Portfolio Holder for Communities, Waste & Regulatory Services.

Local Member: Cover all areas of Shropshire

Appendices: None