

---

**TITLE: SCRAP METAL DEALERS ACT 2013**

Committee: Licensing Committee

Date: 9 October 2013

Author: Karen See, Principal Environmental Health Officer

[N118]

---

1.0 PURPOSE/SUMMARY OF REPORT

1.1 For Members to note the report which highlights the new licensing regime under the Scrap Metal Dealers Act 2013 and to agree the proposed fee structure, prior to consultation.

2.0 RECOMMENDATION(S)

2.1 That the Licensing Committee:

- i. Approve/amend the proposed level of fees, for the new licensing regime under the Scrap Metal Dealers Act 2013 outlined in paragraph 3.10 below.
- ii. Agree to public consultation on the level of fees. If objections are received a report will be brought back to Licensing Committee for consideration
- iii. Recommend to Council that they authorise the Monitoring Officer to include any contested hearings/ revocations under paragraph 3.1 of the Licensing Committee's Terms of Reference, as a Sub-Committee hearing matter.

3.0 BACKGROUND/OPTIONS

Key Issues

3.1 The increased value of metal has caused a growing problem of metal thefts within the UK. In 2010/11 alone the Home Office estimated that there were between 80,000 and 100,000 reported metal theft offences, which are costing the UK economy in the region of £770 million per year. Many different and wide ranging organisations are being affected by this crime, from the transport industry and power networks, to churches and schools.

3.2 Over the previous 5 years this District Council has suffered the effects of this crime spree with 5 tourist information boards being stolen from the Depot, lead from Oliver Cromwell House, the Registry Office, the City of Ely Council Office, and from The Maltings (this is now monitored by the Police and has an

alarm fitted) being taken, and various copper piping and radiators from traveller sites and Units 4 and 5 St Thomas's Place, Ely being ripped out.

- 3.3 In late 2012 the Government introduced initial measures to prohibit cash payments for scrap metal; to amend Police powers of entry into unregistered scrap metal sites; and to increase the existing financial penalties for offences under the Scrap Metal Dealers Act 1964. These changes were contained in the Legal Aid, Sentencing and Punishment of Offenders Act 2011 and continue into the Scrap Metal Dealers Act 2013.

#### Legislative Position/Legal Implications

- 3.4 The Scrap Metal Dealers Act 2013 ("the Act") received Royal Assent on 28 February 2013 and comes into force from 1 October 2013.
- 3.5 The Act repeals the Scrap Metal Dealers Act 1964 and Part 1 of the Vehicle (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and dismantling industries. It brings together the scrap metal dealers and motor salvage operators under the one Act. Local Authorities remain the principal regulator but the new Act gives them the power to better regulate these industries by allowing them to refuse to grant a licence to 'unsuitable' applicants and a power to revoke licences if the dealer becomes 'unsuitable'. The Act also provides local authorities and police officers with suitable powers of entry and inspection.
- 3.6 If the council proposes to reject an application (or revoke or vary it) the applicant has the opportunity to make representations. If the applicant states they wish to make oral representations then they should be provided with the opportunity to a hearing before the licensing Sub-committee, for a decision to be made.
- 3.7 Appeals against a decision by the council to refuse an application, to impose a condition on the licence or to revoke or vary the licence are made to the magistrates' court and must be taken within 21 days from the date of the council's decision.
- 3.8 Additional details on the new powers and responsibilities under the Scrap Metal Dealers Act 2013 can be found in the LGA – Tackling Metal Theft, A Councillors Handbook, Appendix A.
- 3.9 The Act provides that an application for a licence must be accompanied by a fee. The fee is set locally by each local authority but regard must be paid to the guidance issued by the Home Office in August 2013 on the type of activity and administrative tasks that can be included in any estimate of cost (Appendix B). In addition the EU Services Directive states that a licence fee can only be used to pay for the cost associated with the licensing process, and different fees should be specified for each category of application.

### Fee proposals

- 3.10 There are 2 different categories of licence relevant to Scrap Metal Dealers, a site licence or a collector's licence. Licences will be for a period of three years from the date of issue. With reference to the Home Office guidance on the setting of relevant fees the following fee levels are proposed within East Cambridgeshire:

Initial Site licence fee	£300.00
Site licence renewal	£175.00
Initial Collectors licence fee	£200.00
Collectors licence renewal	£140.00
Variation for both licences	£60.00

### Anticipated Outcomes

- 3.11 It is considered that a fair and appropriate level of fee has been set, following calculation of the best estimate of the cost to be incurred by the Local Authority. Certain costs have not been included (for example those for arranging a licensing hearing if applicants are not considered suitable etc), as an assessment of these costs can only be identified following a period of operating under the new regime and having the actual evidence base on which to revisit officer and member time.
- 3.12 Due to the short timescales required to introduce this Act a short consultation period of 4 weeks is proposed, ending on 6 November 2013. It will be targeted individuals and groups such as existing scrap metal dealers, other Local Authorities, the Environment Agency, and the Police etc that are consulted. Information on East Cambridgeshire's website will comprise the main form of advertisement of the proposed fees.
- 3.13 An annual review will follow to allow a period of working under the new licensing regime, which will allow the local authority to build the evidence base required. Recommendation to Members of appropriate fee level changes will be made at this time.

## 4.0 ARGUMENTS/CONCLUSIONS

- 4.1 All LA's are facing the challenge of the introduction of this new licensing regime in a short timescale. Guidance on fee setting was only received on 12 August 2013 and we are still awaiting further guidance on enforcement (provisions for enforcement and offences come into force on 1 December 2013). Application forms will be made available to all known current operators within East Cambridgeshire by 1 October 2013. They have until 15 October 2013 to make an application for a transitional licence.

4.2 The expectation will be that they complete the application, provide their basic disclosure paperwork and submit their application within the required timescales. Once the fee structure is formally adopted this will be advertised and operators will be required to submit the relevant fee, prior to formal consideration of the application and subsequent licensing in full from 1 December 2013.

## 5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 There will be no additional cost in administering and seeking compliance with the new scrap metal licensing regime, as costs will be met through the fee raising element of the legislation.

5.2 An Initial Screening Equality Impact Assessment (INRA) has been completed and the findings show the impact of introduction of this legislation and fee charging structure is not considered to have an adverse impact on any group. Refer to the Initial Screening report – Appendix C.

## 6.0 APPENDICES

6.1 Appendix A Local Government Association – Tackling Metal Theft, A Councillors Handbook.

6.2 Appendix B Home Office “Scrap Metal Dealer Act 2013: guidance on licence fee charges” August 2013.

6.3 Appendix C Initial INRA

---

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Scrap Metal Dealers Act 2013.	Room SF203 The Grange Ely	Karen See Principal Environmental Health Officer (01353) 665555 E-mail: <a href="mailto:karen.see@eastcambs.gov.uk">karen.see@eastcambs.gov.uk</a>
Scrap Metal Dealers Act 2013 – Explanatory Notes		
Scrap Metal Dealers Act 2013 (Commencement and Transitional Provisions) Order 2013		
Home Office Guidance on the Offence of Buying Scrap Metal for Cash, Oct 2012		

# Tackling metal theft

## A councillor's handbook





# Contents

Foreword	4
Introduction	5
The role of the LGA and local government in influencing the legislation	7
Identifying the problem	8
Understanding the chain	10
The Scrap Metal Dealers Act 2013	11
Other relevant legislation	12
Civil recovery	13
Heritage crime	13
Who in the council can take action?	14
Who else is working on this?	16
Resources and materials	19

# Foreword



Metal theft reached a peak in 2011. Although the number of incidents has fallen over the last year, it is still having a significant impact on communities.

Nine out of ten councils surveyed in early

2012 had been affected and disruptions to rail services, loss of power to homes, interruptions to telecommunications, theft of lead from the roofs of churches, the theft of bus shelters, lightning conductors, street signs, gully and manhole covers, and war and grave memorials have serious implications for communities.

Unless the police and councils continue to take action, many of us will probably continue to suffer the effects of metal theft. As the international economy recovers and metal prices rise again, the rewards of metal theft will increase further.

It is likely that someone will be seriously injured by these thoughtless crimes. Indeed, several of the criminals have already been electrocuted while in pursuit of valuable materials from sub-stations and railway cables.

With our residents and businesses being seriously affected we, as elected members, must do all we can to prevent thefts from happening.

Over the last year the LGA worked tirelessly to support the private members bill taken through parliament by Richard Ottaway MP, and we are delighted that our efforts have met with success. Members can now take robust action to ensure that scrap metal dealers in their area are properly licensed, operating to high standards of transparency, and are altogether an asset to the economy of the area.

This handbook, originally produced in direct response to the resolution on tackling metal theft raised and emphatically passed by members at the 2012 LGA General Assembly, has been updated to help members understand their new powers and responsibilities under the Scrap Metal Dealers Act 2013.

In it, we outline some of the key facts about metal theft and suggest ways in which councillors can make a real difference locally. It complements the practical toolkit that I had the pleasure to launch in March 2012, and which has also been updated; the toolkit contains pro-forma examples and effective practice case studies that will help officers translate your leadership into practical prevention and enforcement activities.

A handwritten signature in black ink that reads "Mehboob Khan". The signature is written in a cursive style with a horizontal line underneath the name.

**Councillor Mehboob Khan**  
Chair of LGA Safer and Stronger  
Communities Board, Leader, Kirklees  
Council



# Introduction

Demand for metals continues to be strong and the metal recycling industry is booming, with a total worth of £5 billion in 2011. This is great news in terms of providing jobs and reducing the UK's environmental footprint, but the poor regulation of the industry and legislation dating back to 1964 means it has been ill-suited to cope with the rise in illegal sales.

In 2011, 15,000 tonnes of metal were stolen, of which 7,500 tonnes came from railways, statues and church roofs. The cost of the thefts to the railways alone amounted to £13 million<sup>1</sup>, with many more millions lost as a result of delays to passengers. Overall, the Association of Chief Police Officers (ACPO) estimated that metal theft costs the UK economy £770 million every year, while others put the cost at £1 billion or higher.

The Energy Networks Association, representing utility companies, experienced an average of 20 attacks a day in 2011 at an estimated cost of £60 million. This was in addition to the £12 million already spent by the companies on security measures. While companies seek to absorb much of this expense, there is inevitably a cost implication for consumers, in addition to the disruption caused to supply.

Our heritage sites and national assets are also being targeted with over 23,000 listed buildings and sites being damaged by metal theft in 2011.<sup>2</sup>

These buildings are often the most costly to repair and leave key tourist sites obscured by scaffolding, much to the dismay of visitors.

Overall, the Home Office estimated that there were between 80,000-100,000 police recorded metal theft offences in England and Wales in 2010-11, amounting to roughly a fifth of the 481,659 'other theft' offences recorded by the police in that year.<sup>3</sup>

All this is changing as councils and the police respond to the threat with new enforcement tools, shared intelligence and partnerships with responsible local dealers. There have been some immediate successes in tackling the issue, with over 771 offenders arrested and charged in 2012-13, resulting in custodial sentences of up to 27 months and fines up to £170,000. In addition, 759 illegal sites and 190 illegal scrapyards were closed down thanks to the intervention of councils, police and the Environment Agency.

However, it is with the introduction of the new Scrap Metal Dealers Act 2013 and its tougher regulatory regime that we can expect to see the tide turn in favour of the enforcers and responsible metal dealers. This handbook outlines some of the key aspects of the new Act and how they can complement the other tools that councils and their partners have been using.

<sup>1</sup> British Transport Police, 2011

<sup>2</sup> Heritage Crime Research: The Size of the Problem <http://www.english-heritage.org.uk/professional/advice/advice-by-topic/heritage-crime/>

<sup>3</sup> Metal Theft - prohibit cash payments and higher fines LASPO Act 2012 impact assessment, 22 February 2012 <http://tinyurl.com/iametaltheft>

It is worth reflecting that it is not just copper and lead that is at risk and that changing global markets can mean that other assets become vulnerable. Over the past few years there has been a shift in the materials stolen, expanding the impact from lead on church roofs to encompass such commonplace materials as steel, cast iron and aluminium: metals used in construction of items such as manhole covers, shopping trolleys, phone cables and street signs. In short, all of the traditional materials used in street furniture and public infrastructure are now vulnerable and at risk.

Councils must now take sensible precautions to reduce the opportunity for thieves, whether through the use of alternative materials, more effective enforcement of scrap metal dealers, or developing robust policies to ensure that the council's disposal of its own metal assets is understood.



## Case study: Wandsworth Council

In a bid to stop metal thieves causing unnecessary heartache for families, memorial plaques being mounted in Wandsworth cemeteries will now be made using alternative materials.

In June 2012, police officers uncovered about 300 plaques that had been cut up into pieces during a raid on a scrap metal dealer in Croydon. It was subsequently confirmed that some of the broken memorial plaques had been stolen from Putney Vale Cemetery.

Wandsworth Council's cemeteries team have ordered replacement plaques in a material called 'Traffolyte' - a non metallic material suitable for engraving.

The new materials are used to retain quality while ensuring the plaques do not become targets for callous metal thieves, whose actions result in suffering for the families and friends who commissioned the memorials. Any new plaques being mounted in the borough's cemeteries will also be made using Traffolyte.

The council's cabinet member for environment, culture and community safety, Councillor Jonathan Cook, said: "Knowing that a plaque honouring a friend or family member has been stolen is bad enough - but to hear that it's been ruthlessly cut into pieces by criminals whose sole purpose is to line their own pockets must be truly heartbreaking.

I hope that these new-style memorial plaques will bring some peace of mind to the loved ones of those they commemorate."

The council has now also joined a campaign that's been launched to combat crimes and anti-social behaviour that damage Britain's historic buildings. The Alliance to Reduce Crime against Heritage (ARCH) is a nationwide network of agencies that includes English Heritage, the police and the Crown Prosecution Service who have all pledged their commitment to tackling crimes against historic buildings and structures.

By becoming a signatory to the campaign<sup>4</sup>, the council hopes to send out a strong message that anyone who damages historical and architecturally important buildings will be brought to account.

The move has been backed by the Borough's Heritage Champion Cllr Vanessa Graham, who said: "Wandsworth is blessed with many architecturally and historically important buildings."

"There are around 500 designated statutory listed buildings of interest to the nation, a similar number on our list of local heritage assets, 237 war memorials and six registered historic parks and gardens, so we have much to protect and treasure - but also much that could be at risk from criminal behaviour.

"Unfortunately many of the crimes that are committed against historic or listed buildings leave an indelible scar or blemish and deny future generations the chance to enjoy fine architecture or in the case of war memorials, the opportunity to pay homage to the sacrifices of their forefathers."

<sup>4</sup> <http://tinyurl.com/archmemo>

## The role of the LGA and local government in influencing the legislation around scrap metal dealers

The LGA worked hard with other industry stakeholders to first persuade the Government of the need to reform the legislation regulating scrap metal dealers, and then to ensure the Scrap Metal Dealers Act's safe passage through both Houses of Parliament.

As the Act progressed we briefed our Vice Presidents, as well as other interested MPs and Peers, in person and in writing. They then raised our concerns in both Houses and spoke on our behalf. We also used our survey results of local councils to emphasise the seriousness of the situation prior to this legislation, demonstrating that metal theft has affected almost nine in ten councils.

We raised issues within the committee stage debate in the House of Commons around local licensing conditions and fees; whilst reinforcing at each stage the strong cross party support within the LGA for the legislation.

The Act looked likely to fail during Commons committee stage but our support and hard work, alongside that of other stakeholders, ensured its progression and eventual Royal Assent.

The LGA has since worked closely with the Home Office and Environment Agency/ Natural Resource Wales (NRW) to establish the parameters for implementing the 2013 Scrap Metal Dealers Act, including the establishment of the new national register of licences.

We have also produced a number of tools and guides, including this handbook, to help our members adapt to the new system and take rapid action to establish a regulated scrap metal industry in their area. In addition to this handbook, members may wish to refer to our practical toolkit, fees calculator and implementation guide.<sup>5</sup>

## Identifying the problem

Metal theft has now affected 90 per cent of all councils, so it is likely that there will have been an impact on your community. However, it is important to understand whether this is a significant problem, a one-off incident, or a problem that may increase or decrease over time.

It makes more sense to spend time and resources on identifying and tackling a long-term problem than on one that may have only lasted for a couple of weeks. Similarly, if there are steps that can be taken now to prevent a problem in the future then it is sensible to consider them. Current trends in market value for metals show no sign of reducing and it can be expected that theft of metal will continue to be financially attractive for both opportunists and persistent offenders.

There are a number of ways in which you can find out about the nature of the problem in your area and, as a result, identify any priority actions that you may need to take.

For instance:

- examination of police data may show a percentage rise in calls reporting metal theft
- rail operating companies may show a rise in delays due to metal theft
- consultation with communities and businesses may highlight anecdotal (non-reported) increases in incidents of low-level metal theft (lead from roofs, etc).

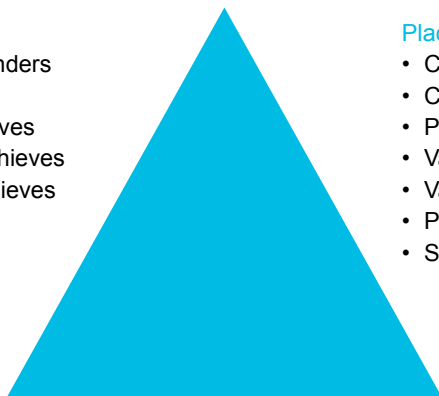
Following on from this analysis of the current picture, you may wish to develop a plan for assessing the risk of further problems. This could include developing a risk register of public property or protected buildings, sites and monuments in the area, or undertaking a public awareness campaign to reduce the window of opportunity for theft. You will also want to liaise with neighbouring authorities and key partners to identify what work they may be doing to tackle the problem.

Where metal theft is a serious and recurring issue, one way of thinking about how to address it is through the problem analysis triangle often used in community safety to deal with crime and disorder problems. This relies on the idea that crime results when offenders and suitable targets come together in the same place. An example of this for metal theft is given in the diagram below, and using this approach can help identify the most appropriate means of addressing particular offences.

<sup>5</sup> [www.local.gov.uk/publications](http://www.local.gov.uk/publications)

#### Offender

- Motivated offenders
- Scrap dealers
- Organised thieves
- Opportunistic thieves
- Drug related thieves



#### Place

- Construction sites
- Churches/public buildings
- Pubs and restaurants
- Vacant/void housing
- Vacant/void commercial premises
- Playgrounds
- Scrap metal/metal stores

#### Target

- Manhole covers
- Plumbing fixtures (pipes and boilers)
- Copper wiring and power transmission cables
- Rail tracks
- Vehicles and pedal cycles
- Beer kegs
- Gas canisters
- Fencing and railings
- Metal roofing sheets
- Bronze plaques and statues

Centre for Problem-Oriented Policing – Guide No. 58 (2010)



## Case study: London Borough of Lambeth

Lambeth is a historic borough and has over 2,500 listed buildings, 10 major war memorials and many other significant monuments. It is particularly vulnerable due to its extensive rail network and numerous listed buildings and monuments, with recent thefts including: a war memorial, lead and copper stolen from West Norwood Library which led to its closure, park benches stolen from Streatham Common, signs, gutters, grave memorials, and even front gates belonging to residents.

A report by Lambeth Police to the council stated “The cost benefit analysis of this crime in the eyes of the criminal is now so attractive that metal theft may become more widespread in Lambeth than most other forms of acquisitive crime unless we do something to counteract this”.

As a result, Lambeth established a scrutiny investigation to explore the range of excellent work that is being undertaken by different public and private agencies under an out-of-date legislative framework. With the welcome enactment of the Scrap Metal Dealers Act 2013 that framework is set to change.

However, the investigation found that the new legislation alone will not be a panacea and proposed a partnership action plan to tackle the full range of issues that contribute to the prevalence of metal theft, from enforcement activity to establishing an Urban Heritage Watch. Lambeth also became the first London Borough to sign up to ARCH, shortly followed by Wandsworth.

What was quite clear to the commission was that any steps that Lambeth could take are unlikely to have a significant impact unless they are replicated by their neighbours.

They felt their most important recommendation therefore was that the council work with their partners and neighbours to develop and enforce a voluntary code of conduct for the scrap metal trade with a view to this being adopted pan-London once its sub-regional success can be demonstrated.

The full scrutiny report can be found at <http://tinyurl.com/lambethmetal>

## Understanding the chain

Any item stolen in large quantities must have a retail outlet; that is, somewhere where the good can be converted into cash or some other asset.

In the UK, the most accessible and immediate option for converting metal into cash is through a scrap metal dealer, either legally or illegally operating. This is not to say that other means of disposing of large quantities of stolen metal are not used, such as shipping it abroad in containers, and we touch on the implications of this later.

There are approximately 3,500 registered scrap metal dealers in the UK. The British Transport Police estimates that in addition to this there are also illegal sites and itinerant dealers that bring the total number of businesses operating in this sector to over 4,000. The BMRA have told us that the illegal sites that are known to authorities represent only “the tip of the iceberg” and suggested that “the size of the illegal trade, in terms of numbers of sites, is possibly as large as the legal trade”.

Itinerant collectors, in particular, have been more loosely regulated and hard to monitor due to their lack of a fixed premise site; however, they will now be registered with each local authority under the Scrap Metal Dealers Act 2013 and be registered with the Environment Agency/NRW as a waste carrier. The latter should provide some degree of traceability.

Councillors will want to make sure that their officers are fully up-to-date with changes to the legislation and actively checking them with the dealers in their area. You will also want to make sure that your officers have

established a good working relationship with the Environment Agency/NRW to share intelligence and inform each other if the dealer is missing either an Environment Agency/NRW permit or council licence.

## The Scrap Metal Dealers Act 2013

This Act repeals the Scrap Metal Dealers Act 1964 and Part 1 of Vehicles (Crime) Act 2001 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 providing 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.

Unfortunately, it is unlikely that even the provisions of the Act will completely prevent metal theft. An increasing percentage of metal is shipped abroad in containers, and councils with ports in their areas may wish to work closely with customs and excise to tackle these unorthodox points of exit.

## ✓ What you can do

- licence all dealers in your area, whether they are mobile collectors or operate from a yard
- refuse applications for a licence where the applicant is considered unsuitable
- impose conditions on a licence where the dealer is convicted of a relevant offence
- inspect premises and records to ensure they are complying with the law
- revoke a licence where you are satisfied the dealer is no longer trading or is no longer a suitable person
- recover all your costs of issuing the licence and enforcing the requirements
- close unlicensed premises.

## ✗ What you can't do

- impose local conditions in the same way that you can for alcohol or gambling licences
- recover enforcement costs against **unlicensed** premises through the fee system, although you can consider using the Proceeds of Crime Act 2002 to deprive them of any financial gain from illegal operations.

## What your council needs to do

Councils will have 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.

No method of deciding licensing applications is set out in the Act, so councils will have to decide which applications (if any) should be considered by their licensing committee(s).

Given the rights to make representations where a licence application is going to be refused, revoked or varied, it would be appropriate for applications where officers recommend refusal, as well as cases where revocation or variation of the licence is being considered, to be heard by members.

Councils will also need to have a process for calculating their costs and setting appropriate fee levels. This will be an executive function and can be delegated to committees or heads of service.

Ensuring that your council has the right delegations in place to set fees, make decisions, and hear appeals will be essential if the council is to avoid legal challenge.

## Other relevant legislation

Scrap metal dealers are also required to have planning permission to operate a site and are required to have permits or exemptions from the Environment Agency/NRW to operate a scrap metal site under the Environmental Protection Act 1990. Failure to have the correct permits can lead to a fixed penalty notice or fines of up to £50,000 or 5 years imprisonment.

Those transporting metal to a scrap metal site for profit are required to be registered as a 'waste carrier'. Waste carriers must comply with the waste duty of care. Breach of the duty of care is a criminal offence that can lead to large fines under the Environmental Protection Act 1990. Specific requirements of the duty of care include that waste carriers must:





- ensure the waste goes to a properly licensed or exempt waste site
- complete a waste transfer note (WTN) - this must include a description of the waste and be signed by the carrier and the person that they give/sell the waste to
- keep the WTN for a minimum of two years.

The Legal Aid, Sentencing and Punishment of Offenders Act 2012 introduced changes to the 1964 Scrap Metal Dealers Act, which will be superseded by the provisions in the 2013 Act when that comes into effect. These changes:

- created a new offence of buying scrap metal for cash (the “cashless offence”), so that a “scrap metal dealer must not pay for scrap metal except... by a cheque... or... by an electronic transfer of funds”

- provided new powers for the police (on production of a warrant issued by a justice of the peace) to enter regulated scrap yards where there were reasonable grounds for believing that scrap metal paid for in cash was being (or had been) received or kept there.

It is particularly important that council officers are aware of the criminal offence of buying scrap metal for cash under section 147 of the Legal Aid, Sentencing and Punishment of Offenders Act. The Home Office has provided advice to help officers enforce the new requirements, including details around acceptable forms of payment and the revised record keeping requirements.

Up until the commencement of the Scrap Metal Dealers Act 2013, itinerant, or house to house, collectors continue to be able to receive cash payments provided that they have registered as a scrap metal dealer under s1 of the 1964 Act and that they have also been granted an order by their licensing authority under section 3(1) of the Scrap Metal Dealers Act 1964. The new Scrap Metal Dealers Act 2013 removes the distinction between itinerant collectors and fixed location dealers, prohibiting both from dealing in cash transactions.

## Civil recovery

If a theft has been committed then prosecution through the criminal courts is not the only action a council can take. The civil law allows a business, council, or individual to seek to recover not only the value of the metal which has been stolen, but any other consequential losses.

For metal thefts, this includes the cost of associated repairs, the cost of any down time



in the service (such as a school or library having to be closed), the cost of diversion of staff's time and all of the administrative costs. The consequential losses can in some instances, far outweigh the value of the metal stolen, and they are not elements which will usually be ordered as compensation in criminal proceedings.

It is not a question of either/or in prosecutions and civil recovery, and there can be a criminal action and a civil action. Nor is one dependent upon the other. It is also possible for a council to pass this information on to the victim of the crime, to allow them to take action.

This approach is common practice among retailers seeking redress from shoplifting. It has proven to be particularly effective at deterring repeat offenders as they dislike paying back the cost of what was stolen, but dislike even more paying back the consequential costs as well.

## Heritage crime

Heritage crime is defined as 'any offence which harms the value of England's heritage assets and their settings to this and future generations.' Although it is broader than just metal theft, a great many listed buildings or protected landmarks are victims of metal theft, and may indicate future trends in resource theft.

Councils are often responsible for maintaining or caring for historic buildings, and in any case have a vested interest through the tourist offer associated with these buildings and monuments. Any work to tackle metal theft should also therefore consider whether there is any application to preventing heritage crime in the area, or any insight to be gained from existing work to tackle heritage crime.

English Heritage commissioned research by Newcastle University, Loughborough University and the Council of British Archaeology into the scale of the threat from heritage crime in England.

Key highlights included:

- An estimated 18.7 per cent of all listed buildings were physically affected by crime last year. That is over 70,000 listed buildings.
- For almost 30,000 listed buildings the impact was substantial.
- The biggest single threat is metal theft and the most threatened type of building is a church. About three in eight churches or other religious buildings were damaged by crime last year.

Following the research, English Heritage has produced a guide to the range of

interventions available to those agencies responsible for the enforcement of heritage crime. It looks in general terms at the possible interventions from prosecution through to the many types of alternative disposal options, both formal and voluntary, including consideration of the restorative justice process.<sup>6</sup>



## Who in the council can take action?

In practice, a number of departments within the council will be able to directly or indirectly contribute to tackling metal theft. Councils are responsible for licensing scrap metal dealers and, along with the police and Environment Agency/NRW, ensuring that they meet the requirements for trading.

Councils are also commissioners of all street furniture, as well as maintenance of the public realm, although actual responsibilities vary between districts, unitaries and counties. In

that role, there are opportunities to test new materials, introduce new protective measures and raise awareness of how council-owned metal is legitimately disposed.

A number of councils are taking steps to tackle the problem by using non-metallic alternatives and by using anti-theft measures such as CCTV and the use of smart water marking, and many of these formerly untested products have now proven their effectiveness.

This work will span a number of teams within the council and your role as a councillor is to ensure that they are all working together as effectively as possible. Please note that there will be different responsibilities between district, unitary and county councils.

### Licensing

Your licensing team will be responsible for reviewing applications and issuing a licence. The new licensing regime will become a major tool in regulating the licensed trader.

### Environmental health and environmental crime

Your environmental health and crime officers will be responsible for much of the day-to-day enforcement of inspecting existing scrap metal dealers, and spotting illegal operators. They will act as your eyes and ears on the ground and will need to work closely with partners such as the police, Environment Agency/NRW and utility companies like BT to ensure they share information and joint enforcement activities where appropriate.

They can also have an important role in establishing protocols with local dealers to drive up standards and improve local practice. Our toolkit contains exemplar protocols from Forest of Dean Council, which

<sup>6</sup> <http://www.english-heritage.org.uk/professional/advice/advice-by-topic/heritage-crime/>

have engaged scrap metal dealers and promoted the adoption of stringent measures to vet the legitimacy of scrap metal.

### **Highways and planning teams**

Your highways and planning teams will be responsible for commissioning much of the street furniture and signage that is vulnerable to theft. Simple steps like exploring alternative materials can not only reduce thefts but many are actually more durable than regular metals. Some composite manhole covers come with a 15 year guarantee, provide better grip for cars and motorcycles, and cannot be melted down and reused.

Stoke-on-Trent Council has begun replacing all manhole covers with rubber ones, following the theft of 500 metal covers worth £73,000 over the past two years alone.

This team should also be considering making effective use of water-marking, anti-climb paint and other detection methods when replacing or ordering new street furniture and signage.

### **Waste**

Councils are collectively the third largest provider of scrap metal after the main utility companies. It therefore behoves them to make sure that they dispose of it in a consistent, transparent and cost-efficient way.

BT, the largest provider of scrap metal, experienced a significant reduction in metal theft when it decided to make clear that it disposed of its scrap metal only through a restricted list of scrap metal dealers. Once this was published, the responsible scrap metal dealers not on the list were fully aware that any BT branded material they handled was stolen. The market for BT scrap metal immediately became more restricted and less attractive as a result.

Councils operate individually and many councils themselves use a number of different contractors to dispose of their scrap metal. Establishing and publishing a list of dealers that you use, perhaps in partnership with neighbouring authorities, will not only make it harder for thieves to sell



on your metal items, but could also get you preferential rates.

The Environment Agency has been working with partners to encourage business models that allow for the safe and secure transfer of waste. A recent example is the South East Waste Exchange<sup>7</sup>, which allows councils and businesses to trade waste through a secure online platform.

### Community safety teams

It is not just councils who lose their property, but residents, businesses and charities as well. Many of these groups are unaware of the basic measures they can take to protect their metal and deter opportunistic thieves. Your community safety teams, and the wider community safety partnerships, will be fundamental in informing and alerting people to what they can do.

These teams can also play an important role in alerting residents to things they should look out for, including vans that are accessing cables through manholes. Residents should be encouraged to take part in the fight against crime.

## Who else is working on this?

Metal theft has had a significant impact on a wide range of the community, with the result that a great many organisations are working to stop it.

Your **neighbouring authorities** will almost certainly be experiencing similar problems and, with rogue dealers and thieves operating across council borders, you will want to build on your existing links to tackle this issue. Many councils have come up with innovative ways of improving their enforcement protocols. The Forest of Dean, Birmingham and Kirklees councils have kindly shared their template policies and documents in the LGA's 'Tackling metal theft toolkit'<sup>8</sup> and these provide a good start for working with the industry itself using existing powers.

The police, coordinated by **British Transport Police**, have launched a number of initiatives to tackle the issue, working with local councils to crack down on illegal handling of metal. Many forces now have their own packages of advice which they are happy to share with councils and residents and there are usually dedicated enforcement officers who will be working closely with council enforcement teams. More information on some of the innovative work that the police are leading can be found at: [http://www.btp.police.uk/about\\_us/latest\\_news/operation\\_tornado.aspx](http://www.btp.police.uk/about_us/latest_news/operation_tornado.aspx)

Police and Crime Commissioners (PCCs) may also have an interest in this work and opportunities should be taken to ensure they are briefed on the subject and able to identify opportunities to work jointly with the police. The PCCs for Cheshire and Lincolnshire

<sup>7</sup> [www.wpesoutheast.co.uk/](http://www.wpesoutheast.co.uk/)

<sup>8</sup> <http://www.local.gov.uk/publications>

have both included it in their police and crime plans following high profile local incidences of metal theft and heritage crime.

In Scotland, the Scottish Commercial Crime group has taken the lead and has produced some good films to highlight the real impact it has on individuals. You can view these films at: <http://www.metaltheftscotland.org.uk/>



## Case study: Kent councils and Kent Police

Kent Police in conjunction with local councils have been attempting to educate the scrap metal industry on crime prevention and legislation. In 2012, Kent rolled out Operation Tornado, a set of national identification measures drawn up by the Association of Chief Police Officers (ACPO), The Home Office, British Metals Recycling Association (BMRA) and British Transport Police (BTP), to tackle metal theft by making it easier to trace sellers of stolen metal, and thus assist in deterrence and detection of crime.

As a result of all the multi-agency activity in Kent, they saw a 33 per cent reduction in metal theft in 2012-13 compared to the previous year. This is particularly positive, given that metal theft commodity prices continue to rise.

Partnership working is key, because this allows agencies to share intelligence, increases the powers available and hence improve the opportunities for detecting offences. For example, offenders selling metal to a scrap metal dealer, may be claiming benefits when they are actually earning, or they may have no tax or insurance for their vehicle so the relevant agency can deal with them there and then. In particular, metal theft 'days of action' have proven to be good opportunities to detect, deter and publicise what the force is doing to tackle these crimes.



**BT** have established a team to work directly with scrap metal dealers and are happy to either carry out joint-information work with councils or to share information about which dealers have been visited. This will allow councils to build up a risk register of places that they should concentrate on, enabling the most to be made of the limited resources councils have. Many councils will already have established contacts with BT.

**The Institute of Materials, Minerals and Mining** is exploring new ways in which to introduce disruption to the crime supply chain. This includes looking at chemical markers, tracking devices, alternative materials and unique marking methods. Their website contains all the latest information on preventative research [www.materialsktn.net](http://www.materialsktn.net)

All of the main energy utility companies have been badly affected and their representative organisation, the **Energy Networks Association**, has been undertaking work to examine more effective prevention techniques. They are very keen to build links with local government as the frontline enforcers, and are willing to share ideas and help enforcement officers to identify metal that has come from illegal sources. More information and advice can be found at [www.energynetworks.org](http://www.energynetworks.org)

**The Environment Agency/Natural Resources Wales** are the principal enforcement agencies and are responsible for permitting sites, ensuring environmental compliance, registering waste carriers, monitoring international waste shipments, and tackling illegal sites. All of this is clearly complementary but distinct from council and police licensing and enforcement work.

It is quite possible for a site to have a scrap metal dealers licence without the necessary environmental permits and vice versa. Close working links with the Agency and NRW are therefore vital and should be incorporated into any inspection plans. Councils can get in touch directly with the Agency through the dedicated email address [national.intelligence@environment-agency.gov.uk](mailto:national.intelligence@environment-agency.gov.uk). The Agency and NRW will also be responsible for hosting the two national registers of scrap metal dealers, using information collected from councils.

**English Heritage** is the Government's statutory adviser on the historic environment. It leads on the National Heritage Protection Plan (NHPP), which is a major strategy that identifies those parts of England's Heritage that matter most to people and are at greatest risk – and then concentrates efforts on saving them.

They are coordinating training across the country which brings together many different professions from within conservation and crime enforcement.

A number of assessment and prevention tools can be found on their website and will be invaluable for any council seeking to protect its historic assets. It is also important to remember that English Heritage has enforcement powers and can provide impact statements to assist with prosecutions. <http://www.english-heritage.org.uk/professional/advice/advice-by-topic/heritage-crime/>

It is important to not lose sight of the vital economic contribution that legitimate dealers make. Indeed, dealers themselves suffer large numbers of thefts from their premises. The **British Metal Recycling Association** works with the larger members of the industry to secure their premises and to ensure that they do not inadvertently handle stolen material. All members also sign up to a code of practice, produced jointly with the Association of Chief Police Officers, to reduce metal-related crime.

The code, along with further details of how the industry is tackling metal-theft, can be found at [www.recyclemetals.org](http://www.recyclemetals.org).



## Case study: Gwent and North Wales police and councils

Gwent and North Wales police identified that mobile traders, those registered as itinerant traders under the 1964 Act, were experiencing difficulties in providing appropriate identification.

This was particularly acute when they were stopped in the course of their collections. As a result, the police have worked with their councils to implement a process whereby the councils provide photo ID's to itinerant collectors and record keeping books.

The ID's are more practical than asking itinerants to supply passports or driving licenses, coupled with recent utility bills when selling metal to yards. The record books are tailored for itinerants and are similar to books that yards keep. Otherwise itinerants tended to keep no records or partial ones which did not comply with full requirements.

The cost of issuing photo ID's and record books is low. Some local authorities charge itinerants for the books to cover costs, and will continue to be able to do so under the locally-set fees system, and the legitimate itinerants are happy to have the books to fill in.

Caerphilly Council pioneered the scheme of 'NO ID NO CASH' in 2011 when they calculated that they were losing £129,000 a year to metal theft. The low costs associated with issuing ID were therefore easily justified. As a result of the scheme, the authority achieved a 65 per cent reduction in metal thefts.

## Resources and materials

The LGA will be continuing to update its toolkit with the latest information and examples.

We will also continue to work with and lobby central government on this issue, and to establish better links with other organisations affected, to better allocate limited resources and develop an intelligence-led management system. Members wishing to keep up-to-date with any developments can sign up to receive the Community safety e-bulletin on [www.local.gov.uk/ebulletins](http://www.local.gov.uk/ebulletins) or follow [@LGALicensing](https://twitter.com/LGALicensing) on Twitter.







**Local Government Association**

Local Government House  
Smith Square  
London SW1P 3HZ

Telephone 020 7664 3000

Fax 020 7664 3030

Email [info@local.gov.uk](mailto:info@local.gov.uk)

[www.local.gov.uk](http://www.local.gov.uk)

© Local Government Association, July 2013

For a copy in Braille, larger print or audio,  
please contact us on 020 7664 3000.  
We consider requests on an individual basis.

### **Scrap Metal Dealer Act 2013: guidance on licence fee charges**

#### **Context**

The Scrap Metal Dealers Act 2013 (referred to in this guidance as the 2013 Act) received Royal Assent on the 28 February 2013, delivering much needed reform of the scrap metal sector. The 2013 Act will provide effective and proportionate regulation of the sector, creating a more robust, local authority run, licensing regime that will support legitimate dealers yet provide the powers to effectively tackle unscrupulous operators. It will raise trading standards across the whole sector.

#### **Introduction**

The 2013 Act will allow local authorities to decide who should and should not be licensed, allowing them to refuse a licence upon application or to revoke a licence at any time if they are not satisfied that the applicant is a suitable person to carry on business as a Scrap Metal Dealer. The act also creates closure powers for unscrupulous dealers who operate without a licence. It extends the record keeping requirements placed upon scrap metal dealers and requires the verification of the people Scrap Metal Dealers are transacting with. The act will integrate the separate regulation for motor salvage operators with the scrap metal sector and bring to an end the cash exemption given to some collectors under the 1964 Act.

Finally, the 2013 Act creates a fee raising power, to allow local authorities to recover the costs stemming from administering and seeking compliance with the regime. This element of the legislation will be the focus of this guidance.

The intention is for the act to be implemented in October 2013.

#### **Licensing requirements placed upon scrap metal dealers**

Section one of the 2013 Act requires a scrap metal dealer to obtain a licence in order to carry on business as a scrap metal dealer<sup>1</sup>. It will be an offence to carry on a business as a scrap metal dealer in breach of the requirement to hold a licence. This offence is punishable on summary conviction with a fine not exceeding level 5 on the standard scale. In addition, Schedule 1(6) of the 2013 Act provides that an application must be accompanied by a fee set by the authority.

#### **Aim and scope**

Local authorities will be responsible for administration and compliance activity in relation to the 2013 Act. This guidance is provided to local authorities in relation to the carrying out of their fee raising function. It also provides information for the benefit of those who will be applying for a scrap metal dealer's licence and the general public. This guidance applies to local authorities in England and Wales and is produced in accordance with the 2013 Act.

#### **Legal status**

Schedule 1(6) of the 2013 Act provides that an application must be accompanied by a fee set by the local authority. In setting a fee, the authority must have regard to any guidance issued from time to time by the Secretary of State with the approval of the Treasury. This Guidance is therefore binding on all licensing authorities to that extent.

## **What costs can local authorities charge for when issuing a licence?**

The 2013 Act provides that an application for a licence must be accompanied by a fee set by the local authority. This fee raising power is an essential component of the legislation as it will provide local authorities with the funding they need to administer the regime and ensure compliance.

The power to set fees has been passed to individual local authorities, so that any fees levied in each local area is set by reference to the actual costs to each authority. The EU services directive states that a licence fee can only be used to pay for the cost associated with the licensing process. In effect, each local authority must ensure that the income from fees charged for each service does not exceed the costs of providing the service.

LAs should specify fees for each category of application. Specifically we would expect a fee to be specified for the assessment of an application for a licence, the assessment of an application to vary a licence, and the assessment of an application for licence renewal.

Local authorities should specify fees which are payable by licence applicants for the assessment and administration activity within the new licensing regime brought about by the 2013 Act. They should do this by identifying what they need to do to assess the type of licence in question and calculating their best estimate of the cost to be incurred by the LA. The authority will then be able to calculate a best estimate of unit cost for each case.

In effect, the costs of a licence should reflect the time spent assessing and administering applications, processing them, having experienced licensing officers review them, storing them, consulting on the suitability of an applicant, reviewing relevant offences, the decision on whether to issue a licence, as well as the cost of issuing licences in a format that can be displayed. Consulting the local authority's enforcement records in order to determine the suitability of the applicant is chargeable within the licence fee costs as are costs associated with contested licence applications.

Registering authorities should review fees regularly to check whether they remain appropriate.

## **Can a local authority charge for enforcement activity?**

The licence fee cannot be used to support enforcement activity against unlicensed scrap metal dealers. Any activity taken against unlicensed operators must be funded through existing funds. Such activity against unlicensed operators includes issuing closure notices; with applications for closure orders subsequently made to a magistrates court. The cost of applying to the Magistrates Court for a warrant (Section 16(5)(6) and (7) of the 2013 Act) for entry to unlicensed premises, by force if necessary, will incur legal costs to be borne by the local authority and police.

## **What are the different types of licences?**

There are two types of licence specified within the act, one is for a site licence and the other is for a mobile collector licence (carrying on business otherwise than at a site). The licence authorises the licensee to carry on business as a scrap metal dealer at the sites listed in it (in the case of a site licence) or within the local authority area (in the case of a mobile collector's licence).

## **Site licences**

A site licence requires all of the sites at which the licensee carries on the business as a scrap metal dealer within the local authority area to be identified and a site manager to be named for each site. In doing so, they will be permitted to operate from those sites as a scrap metal dealer, including transporting scrap metal to and from those sites from any local authority area.

## **Collectors licences**

A collector's licence authorises the licensee to operate as a mobile collector in the area of the issuing local authority, permitting them to collect any scrap metal as appropriate. This includes commercial as well as domestic scrap metal.

The licence does not permit the collector to collect from any other local authority area. A separate licence should be obtained from each local authority from which the individual wishes to collect in. A collector's licence does not authorise the licensee to carry on a business at a site within any area. Should a collector wish to use a fixed site, they will need to obtain a site licence from the relevant local authority.

The Act 2013 also specifies that a licence will be issued by the local authority in whose area a scrap metal site is situated, or (in respect of a mobile collector) in the area that the collector operates.

## **Do different fees apply?**

Yes. Fees charged for a site licence would reflect the extra work involved in processing these licences and will vary from a collector's licence.

## **Display of licences**

The form in which a licence is issued must enable it to be displayed in accordance with section ten of the 2013 Act. All licensees are therefore required to display a copy of their licence. For site operators the licence must be displayed in a prominent place in an area accessible to the public. For mobile collectors, it must be in a manner which enables the licence to be easily read by a person outside the vehicle. A criminal offence is committed by any scrap metal dealer who fails to fulfil this requirement. This offence is punishable on summary conviction with a fine not exceeding level 3 on the standard scale.

The cost of providing a licence in a form which can be displayed should be included in the local authority licence fee charges.

## **Police objections to licence applications**

The police may object to a licence application where they believe that the applicant is not a suitable person as defined within the act. The police can object where, for example, the applicant has been convicted of a relevant offence. LAs should also consider representations from other organisations or individuals in considering the applicant's suitability

Where the police do object, the local authority should take this into consideration but must use their own judgement and discretion when taking a licence decision. The local authority must allow for the person whose licence is about to be refused or revoked to be afforded the right to make representations. The local authority considering the matter must restrict its consideration to the issue of suitability of applicant and provide comprehensive reasons for

its decision.

Costs associated with considering oral and written representations should be included in licence fee charges.

### **Appeals**

There is a right of appeal to the Magistrates' Court against a decision to refuse a licence application, to include a condition within the licence, to revoke the licence or to vary the licence. The costs associated with appeals and the costs of defending an appeal in the Magistrate Court should not be included in licence fee charges.

The costs associated with defending a Judicial Review into whether the local authority has failed to have regard to the guidance on fees is not chargeable under the licence regime.

### **Revocation of a licence and formulating and imposing licence conditions**

If a licence has been granted, it may be revoked or licence conditions imposed on a scrap metal dealer if the subsections within Clause 4 of the Scrap Metal Dealers Act are triggered. A local authority may impose conditions pending an appeal against revocation (section 4 (7)) or if the applicant or site manager has been convicted of a relevant offence (section 3 (8)).

### **Variation of licence**

Schedule 1 paragraph 3(1) indicates that a local authority may, on an application, vary a licence by changing it from one type to another and (2) if there is a change in any of the matters mentioned in section 2(4)(a), (c) or (d) or (6)(a).

These changes should be recorded by the local authority. The applicant is also under a duty to notify any convictions for relevant offences to the local authority. These measures ensure that a single record will be held of the licence holder's history in terms of licensing matters.

### **National Register of Scrap Metal Dealers**

Whilst a local authority can recover any costs incurred in transmitting information about a licence, the costs which the Environment Agency incurs are not chargeable under the licence regime.

### **How long will a licence be valid for?**

Schedule 1 paragraph 1 of the 2013 Act specifies the terms of a licence. It indicates that a licence expires at the end of the period of 3 years beginning with the day on which it is issued.

### **Additional regulations and guidance**

The Home Office will be publishing regulations in relation to relevant offences and the identification required to sell scrap metal over the summer of 2013. These regulations will be published on [www.gov.uk](http://www.gov.uk). We will also be working with the Local Government Association, the British Metal Recycling Association and British Transport Police to produce additional guidance on the requirements of the new act.

The Local Government Association guidance will include a breakdown of reasonable timescales for each of the activities associated with setting a fee.



## **Annex A - Definitions**

### **What is a local authority?**

'Local authority' means —

- (a) in relation to England, the council of a district, the Common Council of the City of London or the council of a London borough;
- (b) in relation to Wales, the council of a county or a county borough.

### **What is a scrap metal dealer?**

#### **21 'Carrying on business as a scrap metal dealer' and 'scrap metal'**

(2) A person carries on business as a scrap metal dealer if the person—

- (a) carries on a business which consists wholly or partly in buying or selling scrap metal, whether or not the metal is sold in the form in which it was bought, or
- (b) carries on business as a motor salvage operator (so far as that does not fall within paragraph (a)).

### **What is a mobile collector?**

'Mobile collector' means a person who—

- (a) carries on business as a scrap metal dealer otherwise than at a site, and
- (b) regularly engages, in the course of that business, in collecting waste materials and old, broken, worn out or defaced articles by means of visits from door to door.

### **What is a motor salvage operator?**

(4) For the purposes of subsection (2)(b), a person carries on business as a motor salvage operator if the person carries on a business which consists —

- (a) wholly or partly in recovering salvageable parts from motor vehicles for re-use or sale and subsequently selling or otherwise disposing of the rest of the vehicle for scrap,
  - (b) wholly or mainly in buying written-off vehicles and subsequently repairing and reselling them,
  - (c) wholly or mainly in buying or selling motor vehicles which are to be the subject (whether immediately or on a subsequent re-sale) of any of the activities mentioned in paragraphs (a) and (b), or
  - (d) wholly or mainly in activities falling within paragraphs (b) and (c).
-

## Impact and Needs/Requirements Assessment (INRA)

### Initial Screening

Initial screening needs to take place for all new/revised Council policies. 'Policy' needs to be understood broadly to include all Council policies, strategies, services, functions, activities and decisions. This stage must be completed at the earliest opportunity to determine whether it is necessary to undertake an INRA for this activity.

<b>Name of Policy:</b>	Scrap Metal Dealers Act 2013 – setting of fee levels
<b>Lead Officer (responsible for assessment):</b>	Karen See
<b>Department:</b>	Environmental Services
<b>Others Involved in the Assessment (i.e. peer review, external challenge):</b>	
<b>Date Initial Screening Completed:</b>	17 <sup>th</sup> September 2013

- (a) **What is the policy trying to achieve?** i.e. What is the aim/purpose of the policy? Is it affected by external drivers for change? What outcomes do we want to achieve from the policy? How will the policy be put into practice?

The Scrap Metal Dealers Act 2013 will come into force in October 2013. The Act requires a scrap metal dealer to obtain a licence from the local authority in order to carry on their business whether that is operating as a site or as a mobile collector of scrap. The licensing authority has to satisfy itself that an applicant is a suitable person to carry on a business. In considering their suitability authorities must have regard to any relevant information, including any previous convictions for relevant offences. Record keeping requirements for scrap metal brought and sold are specified. The Act provides that an application for a licence must be accompanied by a fee, which is set locally by each local authority on a cost recovery basis. Each local authority must ensure therefore that the income from fees charged does not exceed the cost of providing the service. I consider that at this early stage we have estimated with care and some degree of certainty the actual costs of administering this Act. However certain costs have not been included (for example those of arranging a licensing hearing if applicants are not considered suitable etc) and an assessment of these can only accurately identified following a period of operating under this new regime and having the actual evidence base on which to revisit officer and Member time and the resultant local authority costs. One important point to note is that the licence fee cannot be used to support enforcement activity against unlicensed scrap metal dealers.

- (b) **Who are its main beneficiaries?** i.e. who will be affected by the policy?

Scrap metal dealers.  
Local authority – the fee is an essential component of the new scrap metal licensing regime as it will provide local authorities with the funding needed to administer the regime and ensure compliance.

**(c) Is this assessment informed by any information or background data?** i.e. consultations, complaints, applications received, allocations/take-up, satisfaction rates, performance indicators, access audits, census data, benchmarking, workforce profile etc.

Initial Site licence fee	£300.00
Site licence renewal	£175.00
Initial Collectors licence fee	£200.00
Collectors licence renewal	£140.00
Variation for both licences	£60.00

**(d) Does this policy have the potential to cause an impact (positive, negative or neutral) on different groups in the community, on the grounds of (please tick all that apply):**

**Ethnicity**  
**Gender**  
**Disability**

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

**Age**  
**Religion and Belief**  
**Sexual Orientation**

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

**Please explain any impact identified (positive, negative or neutral):** i.e. What do you already know about equality impact or need? Is there any evidence that there is a higher or lower take-up by particular groups? Have there been any demographic changes or trends locally? Are there any barriers to accessing the policy or service?

Consider that there will be neutral effect on the above grounds as the main effect will be on the business community and the fact that this is a new requirement for them to comply with new legislation, resulting in an additional cost to the business. There will be a greater expectation from legitimately licensed and compliant scrap metal dealers for local authorities and the police to pro-actively identify and take action against those rogue or unlicensed dealers.

<b>(e) Does the policy affect service users or the wider community?</b>	<b>NO</b>
<b>(f) Does the policy have a significant effect on how services are delivered?</b>	<b>NO</b>
<b>(g) Will it have a significant effect on how other organisations operate?</b>	<b>NO</b>
<b>(h) Does it involve a significant commitment of resources?</b>	<b>NO</b>
<b>(i) Does it relate to an area where there are known inequalities, e.g. disabled people's access to public transport etc?</b>	<b>NO</b>

If you have answered **YES** to any of the questions above, then it is necessary to proceed with a full equality impact assessment. If the answer is **NO**, then this judgement and your response to the above questions will need to be countersigned by your Head of Service and then referred to the Council's Equal Opportunities Working Group (EOWG) for scrutiny and verification. Please forward completed and signed forms to Nicole Pema, Principal HR Officer.

**Signatures:**

**Completing Officer:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Head of Service:** \_\_\_\_\_ **Date:** \_\_\_\_\_