

CABINET

Head of Environmental Health and Housing

December 13th 2016

REPORT NO. EHH1626

SCRAP METAL DEALERS – FEES AND CHARGES

SUMMARY AND RECOMMENDATIONS

In 2013, the Scrap Metal Dealers Act 2013 came into force, creating an improved regulatory regime for the scrap metal recycling and vehicle dismantling industries.

The Act repealed the Scrap Metal Dealers Act 1964 and Part I of the Vehicles (Crime) Act 2001, which formerly required these activities to be registered.

Under the new Act individuals and businesses involved in scrap metal and vehicle recycling activities must be licensed by the Local Authority. The Act allows for a fee to be charged for the licence which lasts for three years.

This report seeks approval for the recommended fees for both a site and a collector's licence and an endorsement of the approach used in setting the fees as outlined in Appendix 1.

It also seeks approval for the Scheme of Delegation to be updated to reflect the changes introduced by this Act.

1. BACKGROUND

- 1.1 In 2013, the Scrap Metal Dealers Act was introduced, creating an improved regulatory and licensing regime for the scrap metal recycling and vehicle dismantling industries.
- 1.2 The new legislation was introduced in response to the growth of metal theft offences and the recognition that the existing registration scheme under the Scrap Metal Dealers Act 1964 was ineffective.
- 1.3 The Act revises the definition of 'scrap metal' to reflect the twenty-first century scrap metal industry.
- 1.4 The Act also maintains local authorities as the principal regulator, and gives improved powers to regulate these industries.
- 1.5 It creates two new licences, one for a scrap metal site and the other for a mobile scrap metal collector (carrying on a business otherwise than at a site).

- 1.6 Licences are issued for a period of three years. In 2013/14, existing operators of sites and collectors were issued with licences; these are now coming up for renewal.
- 1.7 It should be noted that in 2013 it was agreed that the fee to be applied for these licences would be set at £70 a figure used at the time for registrations under the Vehicles (Crime) Act 2001.
- 1.8 This was with the expectation that fees would be reviewed in light of our experiences over the initial three-year licensing period (2013-2016) of administering these new licences.
- 1.9 This report seeks approval for the recommended fees to be applied to all future applications made under the Scrap Metal Dealers Act 2013.
- 1.10 It also seeks approval for the Scheme of Delegation to be updated to reflect the changes introduced by this Act to allow officers in Environmental Health and Housing to continue to administer this licensing regime.

2. DETAILS OF THE PROPOSAL

General

- 2.1 Anyone operating as a scrap metal dealer (which now includes motor salvage operators) must apply for a site licence from the Local Authority in which they have a site.
- 2.2 In addition, a scrap metal collector who regularly collects scrap metal door to door must now obtain a licence in every area in which they wish to collect scrap metal.
- 2.3 A person cannot hold more than one licence in each local authority area, but can hold a licence in more than one area. Both of these licences last for 3 years and the current licences are due to be renewed in the next few months. It is anticipated that we will be receiving applications to renew these licences in the coming weeks and months.
- 2.4 In preparation for receipt of these applications, we have calculated a recommended fee for both types of licence together with applications to renew or vary existing licences. The hourly rate applied is based on the top of G5, as this is likely to be the average cost of officers involved in administering this scheme.
- 2.5 Relevant considerations when calculating the fees include; administering applications, issuing licences, officer time, time spent consulting with other organisations, legal advice and any recharges from other Services.
- 2.6 The proposed fees are attached as Appendix 1 together with the rationale for the fees. There are restrictions on setting fees such that they cannot go beyond cost recovery.
- 2.7 In 2013, the Council issued **9** Site Licences and **4** Collector's Licences. It is anticipated that there will be a similar number of applications in the future.
- 2.8 In determining the recommended fees, regard has been given to Home Office guidance on licence fee charges and the Provision of Services Regulations 2009, which sets out what activities can be included when setting the fee.

Alternative Options

- 2.9 None identified.
- 2.10 We are required to consider applications for licences under this Act, and issue licences where appropriate. We may however choose to refuse, review or suspend and revoke licences where necessary and appropriate as part of this tougher regulatory regime.

Consultation

- 2.11 There is no requirement to consult on fees to be applied under the Act.
- 2.12 The Act gives local authorities the power to set fees locally on a cost recovery basis, as part of this we have a duty to have regard to guidance issued by the Secretary of State.

4. IMPLICATIONS

Legal Implications

- 4.1 This is part of a regulatory regime in the same way as other regulatory regimes operate within the Council, and offers the opportunity to better control this industry.

Financial and Resource Implications

- 4.2 There are no financial implications as it is intended that the licence fees will cover the cost of administering the licences. It is likely to generate an income of £4240.00 in 2016/17.
- 4.3 Once approved these fees will be added to the Fees and Charges report and increased in line with RPIx as set out in the Cabinet report FIN 1624 which was considered and approved on the 15 November.

Equalities Impact Implications

- 4.4 There are no equalities impact implications, as all applications will be treated in a fair and consistent manner.

Other

- 4.5 The legislation is in place to help regulate this industry and the Environment Agency in turn is required to maintain a register of both scrap metal dealers site licences and scrap metal collectors licences. We provide information on licences we issue to allow the EA to fulfil this requirement.

5. CONCLUSIONS

- 5.1 The Scrap Metal Dealers Act 2013 introduced a welcome reform of the scrap metal sector.

- 5.2 We are required to consider applications for licences under the Act, and can apply a fee for the licence to recover our costs. The recommended fees set out in Appendix 1 aim to achieve this.
- 5.3 An update to the scheme of delegation is required to allow us to administer this licensing regime.

6. RECOMMENDATIONS

- 6.1 Members are asked to endorse the proposed fees to be applied under the Scrap Metal Dealers Act 2013 as set out in this report and an amendment to the scheme of delegation.

BACKGROUND DOCUMENTS:

Scrap Metal Dealers Act 2013

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APPENDIX 1

Based on SCP 42 or £40/hour

Scrap Metal Dealers – Site Licence – New or Renewal

Task	Hours	Rate £	Amount £
Admin (Assumes application is valid) Processing/Issuing	4	40.00	160.00

To include consultation with the EA and Police and issue of the licence.

Inspection – Annual (3 x 2 hours)	6	40.00	240.00
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Total £400.00

Scrap Metal Dealers – Collectors Licence – New or Renewal

Task	Hours	Rate £	Amount £
Admin (Assumes application is valid) Processing/Issuing	4	40.00	160.00

To include consultation with the EA and Police and issue of the licence.

Total £160.00

Variation to either Site or Collectors Licence

Admin (Assumes application is valid) Processing/Issuing	2	40.00	80.00
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Total £80.00

Anticipated Income 2016/17

9 site licences	9	400	3600
4 Collector's licences	4	160	640

Total £ 4240