

**Committee: Cabinet**

**Agenda Item**

**Date: 15 September 2016**

**12**

**Title: Scrap Metal Dealers Act 2013**

**Portfolio holder: Councillor Susan Barker**

**Key decision: No**

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## Summary

1. This report is to update members on the implementation of the Scrap Metal Dealers Act 2013 (The Act) and seek comments on the report and specifically the proposed revised fee structure to be proposed to Cabinet.

## Recommendations

2. Members to note that, further to the report originally provided to Cabinet, part of the scheme would be funded by the licence holders but that the cost of enforcing unlicensed dealers would be met from existing Licensing budgets.
3. To approve the proposed revisions to the relevant fees and charges and the operation of the Council's responsibilities under the Scrap Metal Dealers Act 2013.

## Financial Implications

4. The cost will be funded by the licence holders. The fees are intended to ensure cost recovery of the process.

## Background Papers

5. None

## Impact

- 6.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	As set out in the report
Sustainability	None

Ward-specific impacts	Uttlesford District
Workforce/Workplace	None

## Situation

7. The Act came into force in October 2013 replacing the Scrap Metal Dealers Act 1964 and parts of the Vehicles (Crime) Act 2001 that dealt with motor salvage operators.
8. At the Cabinet meeting of 12 September 2013 a decision was made to
  - Designate to the Executive Member for Community Safety overall responsibility for the Council's functions under the Act.
  - To determine that the mechanism for dealing with applications under the Act be: the Assistant Chief Executive Legal to deal with all non-contentious matters: contested applications to be dealt with by the Executive Member for Community Safety: and to grant necessary delegations as set out in the document appended to those minutes.
  - To determine the level of fees for licenses granted under the Act as follows:
    - (i) For the grant of a new licence the sum of £365 plus an additional sum of £79 for each site after the first named in the licence;
    - (ii) For the variation of a licence on the application of the licensee £157 plus an additional sum of £79 for each site added to the licence.
    - (iii) For the renewal of a licence the sum of £267 plus an additional sum of £79 for each site after the first named site named in the licence.
9. This report has been prepared to enable members of the Cabinet to review the implementation of the Act and the associated fee structure.
10. The Act was introduced to tackle a rise in scrap metal thefts and gave local authorities power to administer and enforce the legislation and set fees on a cost recovery basis and has now been in force 2 years and 9 months and a review is now due.
11. A total of 5 scrap metal sites and 3 scrap metal collectors licences were granted under the new licensing regime with the first licence being issued on 27 November 2013.
12. With the introduction of the Act came the ability to set fees locally on a cost recovery basis. At Cabinet on 12 September a decision was made to set the fees based on one compliance visit during each 3 years period of the licence.
13. No hearings have taken place since the implementation of the Act.
14. As part of the implementation of the Act a national register was going to be introduced by the Environment Agency to allow inter agency working to take place. This has yet to be introduced.
15. The Act has been in place for 2 years and 9 months now giving officers a better understanding of the practices of scrap metal sites and collectors. It is thought that the proposed revisions would not impact on the aims of the Act and would be reasonable and proportionate to the risks.

16. The scheme is a legal requirement on the Council. The administration including fees, determination and delegation is a function of the Executive. The scheme of fee setting has to be open and transparent, thus being robust so as not to attract challenges.
17. The Licensing Team Leader has recently reviewed the costs incurred by the Council in administering applications for licences and ensuring compliance on the part of licensed dealers under the Act using a time recording exercise. The figures below are exact costings and if accepted ensure that they remain on a cost recovery level for the next financial year. The calculated costs are taking into account the matters set out in the Home Office Scrap Metal Dealers Act 2013 supplementary guidance relating to the setting of fees.
18. The fees listed below are exempt from VAT.

	Site	Collectors
New	£367 Additional sum of £192 for each site after the first name in the licence	£367
Renewal	£322 Additional sum of £192 for each site after the first name in the licence	£322
Variation	£130	£130
Variation to add another site to a licence	£322	£322

## 19. Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Fees do not cover the cost of administering the system	1. Carried out robust examination of the costs involved	1. Any variation would be so minor as to have little impact on the budget	None
Fees exceed the costs of administering the system	1. Carried out robust examination of the costs involved	1. Any variation alone would be so minor as to have little impact on the budget	If on further review the fees are found to be set above costs recovery the fees for the next period be reduced by the surplus generated

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.