

Decision Maker: PUBLIC PROTECTION AND SAFETY PORTFOLIO HOLDER

Date: For Pre-Decision Scrutiny by the Public Protection and Safety PDS Committee on 10 September 2013

Decision Type: Urgent Executive Non-Key

Title: SCRAP METAL DEALERS ACT 2013 - FEES

Contact Officer: Paul Lehane, Head of Food Safety, Occupational Safety and Licensing
Tel: 020 8313 4216 E-mail: Paul.Lehane@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: (All Wards);

1. Reason for report

This report is urgent as the Scrap Metal Dealers Act 2013 comes into effect in stages from 1st September 2013 and fees need to be in place to enable applications to be submitted between 1st and 15th October.

2. **RECOMMENDATION**

That the Portfolio Holder approve the fees for Scrap Metal Dealers as set out in paragraph 3.5.

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Excellent Council Quality Environment Safer Bromley:
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Financial

1. Cost of proposal: Estimated Cost: The cost of administration and enforcement will be covered by the income received from the licence applications
 2. Ongoing costs: Recurring Cost: Income of up to £9k may be received in year 1 and then up to £5.4k every third year thereafter to cover the administration and enforcement costs
 3. Budget head/performance centre: Public Protection and Community Safety.
 4. Total current budget for this head: £3.5m
 5. Source of funding: Existing revenue budget 2013/14
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Staff

1. Number of staff (current and additional): 3 fte licensing officers supported by 3.3 fte administrators
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Estimated 6 site licences and 10-20 collectors' licences (costs / fees based on 15). All residents and businesses will benefit as the Act is designed to reduce the cost and inconvenience from metal theft.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Scrap Metal Dealers Act 2013 replaces the previous registration system for scrap metal dealers created by the 1964 Scrap Metal Dealers Act. In its place it establishes a new licensing regime. This scheme will be run and administered by local authorities. Every scrap metal dealer will be required to have a licence, and operating without one will be a criminal offence. Under the new legislation the definition of scrap metal dealers is extended so it now includes motor salvage operators, and the provisions in the Vehicles (Crime) Act 2001 under which they operate will end once the new Act comes into effect. The Act commences in stages on 1 September, 1 October and 1 December 2013.

3.2 Two types of licences are created by the Act:

- **Site licence** All the sites where a licensee carries on business as a scrap metal dealer have to be identified, and a site manager has to be named for each site. This licence allows the licensee to transport scrap metal to and from those sites from any local authority area.
- **Collector's licence** This allows the licensee to operate as a collector in the area of the issuing local authority. It does not allow the collector to operate in any other local authority area, so a separate licence has to be obtained from each council the collector wishes to operate in. The licence does not authorise the licensee to operate a site; to do so they will need a site licence from the relevant local authority.

3.3 It should be noted that a scrap metal dealer can only hold one type of licence in any one local authority area. They have to decide whether they are going to have a site or a mobile licence in any one area. They cannot hold both a site and mobile collector's licence from the same council.

- The Environment Agency will maintain a national register of scrap metal dealers.
- A copy of the scrap metal licence must be displayed at the site and on collector's vehicles.
- Scrap metal dealers cannot buy scrap metal for cash.
- Dealers will have to keep records of metal purchased and sold.

3.4 Fees

The Act permits the Council to set a fee for a licence. Under the provisions of the European Services Directive fees can be set which recover the Councils costs in administering the licencing regime including set up costs, processing applications, variations and renewals and dealing with hearings. The costs of taking any enforcement visits and actions for licenced premises / people can also be recovered, but licencing fees cannot be used to fund enforcement of unlicensed premises / people.

3.5 Officers have calculated the likely costs associated with the administration of each type of licence and the table below sets out the proposed fees: -

Scrap Metal Dealers Site Licence	Proposed Fee
New application	£600
Variation	£115
Renewal	£445
Scrap Metal Dealers Collectors Licence	Proposed Fee
New application	£360
Variation	£145
Renewal	£185

3.6 5 sites within the Borough are currently registered under the old scrap metal dealers act and 1 under the provisions of the motor salvage operators regulations. It is expected that these will be licensed under the new Act. It is difficult to estimate the number of people who might seek a collector's licence because this is a completely new type of licence, but officers estimate the number to be in the region of 10-20.

4. FINANCIAL IMPLICATIONS

- 4.1 The Act allows the Council to set a fee which recovers the costs of administration and enforcement. These costs have been estimated and the proposed fees are set out in the table above. The licences are required to be renewed every three years.
- 4.2 Based on estimated application numbers, income up to £9k may be received in year 1 and up to £5.4k in year 4 and every subsequent third year thereafter. This income should cover the costs of administration and enforcement.

5. LEGAL IMPLICATIONS

The Council has a legal responsibility to administer the Scrap Metal Dealers Act 2013 and has power to set fees.

Non-Applicable Sections:	POLICY IMPLICATIONS, PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	Scrap Metal Dealers Licence 2013