

Wiltshire Council

Licensing Committee

5 November 2013

Subject: Setting of Fees – Scrap Metal Dealers Act 2013

**Cabinet Member: Councillor John Thomson – Deputy Leader and Cabinet
Member for Highways and Streetscene and Broadband**

Summary

This report recommends a fee structure for the licensing of scrap metal dealers within the Wiltshire Council area under the Scrap Metal Dealers Act 2013.

Proposal

That the Licensing Committee considers the fee structure and sets fees at:

- £350 for a Collector's Licence
- £500 for a Site Licence

The licence fee to cover a three year period with these fees to take immediate effect.

Reason for Proposal

This proposal allows the Council to recover its costs in undertaking its licensing duties under the Scrap Metal Dealers Act 2013.

Mark Smith
Service Director for Neighbourhood Services

Wiltshire Council

Licensing Committee

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Setting of Fees – Scrap Metal Dealers Act 2013

Purpose of Report

1. To recommend a fee structure for the administration of scrap metal licensing programme.

Relevance to the Council's Business Plan

2. The process of controlling and licensing scrap metals dealers assists the Council in achieving two of the six outcomes in the Business Plan 2013-2017.
 - Everyone in Wiltshire lives in a high quality environment
 - People are as protected from harm as possible and feel safe.

Background

3. Metal theft is one of the fastest growing crime types internationally. This is noteworthy because most industrialised countries have witnessed general reductions in acquisitive crime over the last decade. Precise estimates on the extent of metal theft nationally are difficult to obtain because of the absence of a designated metal theft crime category. The British Home Office estimates that there were around 100,000 police recorded metal thefts in 2010/11. According to British Transport Police recorded crime data, the levels of copper cable theft have increased rapidly from 2005/06 to 2010/11.
4. The Scrap Metal Dealers Act (2013) gives the statutory responsibility to manage and administer the licensing of scrap metal dealers to local authorities.
5. 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.
6. Councils will be able to refuse to grant a licence where the applicant is judged not to be a suitable person to operate as a scrap metal dealer.
7. The new regime commenced from 1 October 2013 with a transitional period running until 1 December 2013. During this transitional period any scrap dealers already registered under the old regime, who register for the new regime before 15 October 2013, will be granted a deemed licence until the end of the transitional period.
8. 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.

9. It is proposed that the fees for scrap metal dealers be set as follows:

Collector's Licence: £350

Site Licence: £500

10. Each licence will last for three years, unless revoked by Wiltshire Council. Wiltshire Council will only revoke a licence where the licence holder's circumstances change so that they may no longer be considered a fit and proper person.
11. The proposed fee structure places Wiltshire Council broadly in line with Bath & North East Somerset (BANES) (Site Licence £639, Collector's Licence £542) and Southampton City Council (Site Licence £450, Collector's Licence £300).
12. The legislation obliges the authority to review its fees after twelve months, at which point any anomalies or inaccuracies can be accounted for and amended.

Safeguarding Implications

13. Failure to effectively licence scrap metal dealers leaves vulnerable people unprotected from illicit scrap dealers who may make unsolicited visits to residential properties, prospecting for scrap metal.

Public Health Implications

14. Past incidents have shown statutory undertakers, and in particular hospitals, to be at particular risk of attack from metal thieves. The implications of such an attack on health could be direct, such as disruption to a hospital power supply or emergency switchboard operation, or indirect such as to affect transport signals or power supply to private housing.
15. The provision to make sure that only licensed scrap metal dealers can deal in scrap metal should help to limit theft of scrap metal overall which would hopefully reduce injury associated with this activity, i.e. falls from roofs, and hazards such as electricity pylons, etc.

Environmental and Climate Change Considerations

16. There are no direct environmental impacts of setting the fees; however, the process of managing scrap metal dealers in line with the Act will ensure that dealers are operating within the legal framework.

Equality Impact of the Proposal

17. The impact of these proposals is assessed as `low` against the Council's statutory responsibilities.

Risk Assessment

18. Failure to set a fee structure would result in the Council not recovering its costs in dealing with its obligations under the Act.

19. This could in turn risk legal challenge or complaint from dealers who would be unable to apply for a licence to trade legally.

Financial Implications

20. The fees will generate a small amount of income, dependant on the number of licences issued; however, the licence covers three years from date of issue.
21. The fees generated from the licensing of scrap metal dealers represent a new income stream to the Council. This income stream will be factored into the Council budget as part of the 2014/15 budget setting process.
22. The fees will be reviewed after a 12 month period. This will allow the licensing fee to be adjusted to comply with any future fees and charges policy of Wiltshire Council.
23. The Council resource to administer the licensing will come from existing staffing and supply and services budgets. There will be no requirement for any budget growth to support the new licensing requirements.

Legal Implications

24. Failure to implement this regime will lead to all bona fide scrap dealers becoming technically unlicensed, thus allowing illicit scrap metal dealers to operate beyond effective detection and prevention.
25. This would negate the positive impact the new legislation should have, in making it harder to transport and trade in stolen scrap metal. Indeed, it may even encourage an increase in metal theft as criminals seek to take advantage of a period of hiatus.
26. The Scrap Metal Dealers Act 2013 provides that each application for a scrap metal dealer's licence will need to be accompanied by a fee set by the local authority (Section 5, Schedule 1, paragraph 6(1)).

“Following implementation of Directive 2006/123/EC, Services in the Internal Market (“the Services Directive”), a licence fee can only be used to pay for the costs associated with the licensing process. This means that a local authority must ensure that the income from fees charged for each service does not exceed the costs of providing the service. In setting the fee the authority must have regard to guidance issued from time to time by the Secretary of State for the Home Department. These fees have been set in line with these legal principles and current guidance.”

Conclusion

27. There is a demonstrable need for the fees the Council proposes to charge for this service.
28. The new legislation instructs us to calculate and levy charges sufficient to cover the cost of administering and ensuring compliance with the new regime. The

calculations in this document are accurate to the best of the Council's knowledge of the prevailing factors.

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Background Papers

Scrap Metal Dealers Act 2013

LGA Guide to the Scrap Metal Dealers Act 2013

Scrap Metal Dealer Act 2013: Guidance on Licence Fee Charges