

Cabinet Member – Community Safety & Equalities
Council

5th September 2013
10th September 2013

Name of Cabinet Member:

Cabinet Member (Community Safety & Equalities) - Councillor Townshend

Director Approving Submission of the report:

Executive Director – (People Directorate)

Ward(s) affected:

All

Title: Scrap Metal Dealers Act 2013

Is this a key decision?

No

Executive Summary:

The Scrap Metal Dealers Act 2013 received Royal Assent on 28th February 2013 and will be phased in between 1st September and 1st December 2013. The Act provides the legislative framework in relation to the licensing of Scrap Metal Dealers. It introduced a revised regulatory regime for the scrap metal dealing and vehicle dismantling industries.

On 31st July 2013, Cabinet Member (Community Safety & Equalities) authorised a consultation process on the proposed fee levels for the implementation of the new regulatory process. The purpose of this report is to provide details of the results of the consultation and to seek approval to refer the proposed setting of fees and scheme of delegations to Council.

Recommendations:

- 1) That Cabinet Member Community Safety & Equalities is requested to:-
 - a) Consider the consultation responses in the Report, shown at Appendix C.
 - b) Recommend that Council adopt the scheme of delegations as shown at Appendix A; and
 - c) Recommend that Council adopt the proposed fee levels, as shown at Appendix B.
- 2) Council is requested to endorse the scheme of delegations and fee levels recommended by the Cabinet Member (Community Safety and Equalities).

List of Appendices included:

Appendix A - Scheme of Delegations
Appendix B - Proposed Schedule of Fees

Appendix C - Consultation Results

Background papers:

None

Other useful documents:

Scrap Metal Dealers Act 2013 - <http://www.legislation.gov.uk/ukpga/2013/10/enacted>

The Scrap Metal Dealers Act 2013 (Commencement and Transitional Provisions) Order 2013 (2013/1966)

Scrap Metal Dealer Act 2013: Home Office Guidance on Licence Fee Charges

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 10th September 2013

Report title: Scrap Metal Dealers Act 2013

1. Background

The Scrap Metal Dealers Act 2013 provides the legislative framework in relation to the licensing of Scrap Metal Dealers. The new legislation will introduce a revised regulatory regime for the scrap metal dealing and vehicle dismantling industries.

The Home Office have advised there will be transitional arrangements for dealers registered under the old Scrap Metal and Motor Salvage Acts. Under these arrangements, current registered traders would be able to make applications from 1st October and to continue trading whilst their applications are being determined.

On 31st July 2013, Cabinet Member (Community Safety and Equalities) agreed that the proposed fee levels should be subject to a public consultation.

2. Options considered and recommended proposal

- 2.1 The fee level has been calculated at £300 for site licences and £200 for collectors' licences and covers a licence period of three years. Since the Cabinet Member considered this issue on 31st July 2013, the Home Office has issued its statutory guidance on fee setting. Officers have followed this guidance and there are no changes to the previously considered new application fees. This Guidance was also used in calculating the proposed fee levels for renewals and variations to licences, these fees are shown at Appendix B.
- 2.2 The scheme of delegations proposed at Appendix A involves most decisions being taken at Officer level in the interest of efficiency. However, where an applicant/licensee has exercised their right to request an oral hearing before a final decision is taken, eg. in relation to a proposed refusal of a licence, proposed refusal to vary a licence or proposed revocation of a licence, then a decision will be taken by the Licensing and Regulatory Committee.

Cabinet Member Community Safety & Equalities is requested to:-

- a) Consider the consultation responses in the Report.
- b) Recommend that Council adopt the scheme of delegations as shown at Appendix A; and
- c) Recommend that Council adopt the proposed fee levels.

Council is requested to:-

- a) Endorse the scheme of delegations and fee levels recommended by the Cabinet Member (Community Safety and Equalities).

3. Results of consultation undertaken

- 3.1 The consultation exercise was carried out between 29th July and 26th August 2013. Letters were sent to all existing scrap metal dealers and motor salvage operators registered with Coventry City Council. As there are a large number of Romanian dealers who are registered with the Local Authority, the consultation letter that was sent to them was translated to ensure that they understood the consequences of the new legislation and the costs that were being introduced.

- 3.2 The consultation was made available via the Council's website, which enabled all members of the public and any trade organisations or other interested parties to respond.
- 3.3 Officers also consulted with a number of other Council Departments and stakeholders who were considered to be persons who may have an interest in scrap metal dealers and who may be involved in the application consultation process when the Council starts to receive applications.
- 3.3 As the end date for the consultation period is later than the report preparation deadline date, the final results of the consultation will be made available at the meeting. To date, **we have not received any** responses to the consultation. A summary of any responses received will be given as Appendix C.

4.1 Implementation

Under the 'Functions & Responsibilities Regulations', neither the Cabinet nor a Cabinet Member can make a final decision in relation to the fee levels applied to scrap metal dealers or the delegation of powers under the Act – this is a 'Council function' under the regulations and therefore a final decision will be made by Full Council.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

- 5.1.1 The Act provides that an application must be accompanied by a fee set by the Authority. The fee levels for applications are set for full cost recovery in relation to processing applications and monitoring compliance with licences issued but not for enforcement against unlicensed operators.
- 5.1.2 Cabinet Member is asked to consider the level of fees in relation to new applications, renewals, change of licence type and minor variations relating to a change in the licensee's name, site details or site manager details. A proposed schedule of fees is shown at Appendix B. The expected fee income for these licences is likely to be in the region of £4,000 per annum.

5.2 Legal implications

- 5.2.1 The Act will come into force in phases (1st September 2013 – powers to set fees, 1st October 2013 – powers to receive/process applications, 1st December 2013 – enforcement powers) and delegations as well as an application fee will need to be in place to allow for the authority to carry out its functions. The initial fees will be set by Council on 10th September 2013 and the proposed scheme of delegations provides for any subsequent fee adjustments to be made by the Licensing and Regulatory Committee.

6. Other implications

Regulations are awaited to advise whether Local Authorities must provide for applications to be made electronically in accordance with Article 9 of the EU Services Directive 2006/123/EC.

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint

An efficient and effective licensing regime ensures the Council has an opportunity to monitor and manage activity in this area of trade and provides a framework to set expectations on individuals regarding behaviour and how businesses should operate.

6.2 How is risk being managed?

If the Scrap Metal Dealers fee levels are not in place within the required timeframes, the City Council will not be able to perform its function under the Act. The consultation process and Cabinet Member and Council dates have been planned to ensure that these are in place at the required time.

6.3 What is the impact on the organisation?

The licensing team would accept and process applications in addition to their current duties. As more details on the overall process are still forthcoming from the Home Office and application numbers are only estimated at this stage, it is not entirely clear what the overall impact will be. Officers will need to monitor the situation over the first six months of implementation to assess whether there are sufficient resources to respond to the new requirements.

6.4 Implications for (or impact on) the environment

None – It is considered that the reform of the Scrap Metal Dealers Act will improve the impact on metal theft affecting national transport infrastructure, electricity, telecommunication links and street furniture etc.

6.5 Implications for partner organisations?

The Police will have an opportunity to consider all applications for scrap metal dealers. They are currently provided with registration applications and had powers of entry under the old regime. It is therefore not anticipated that the adoption of the new provisions will have a significant impact on police resources.

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Members: Councillor Townshend	Cabinet Member	Community Safety and Equalities	21/8/13	

This report is published on the Council's website:

www.coventry.gov.uk/meetings

SCRAP METAL DEALERS ACT 2013 DELEGATIONS

Matters to be dealt with	Full Council	Licensing & Regulatory Committee	Officers Licensing Team
Fee Setting		X	
Processing Applications and supply of Information to External Agencies			X
Entry, Inspection and Enforcement			X
Inclusion of Conditions under Section 3(8)			X
Refusal of Licence		If the applicant requests a hearing	If no hearing is requested
Variation/Imposition of Conditions on a Licence under Section 4		If the applicant requests a hearing	If no hearing is requested
Revocation of Licence		If the applicant requests a hearing	If no hearing is requested

Scrap Metal Licence Fees

Scrap Metal Licences will be issued for a maximum period of 3 years following payment of the full fee. These fees are applicable from 1st October 2013 and will be subject to revision.

Scrap Metal Site Licence		Scrap Metal Collectors Licence
Grant	£300	£200
Renewal	£300	£200
Variation	£300	£200
Name Change	£30	£30
Change of site	£70	

SUMMARY OF RESPONSES FROM PUBLIC CONSULTATION

There was only one response to the consultation, which has been provided in full below.

“After speaking to someone from Member Services - while I agree in principle with the £200 fee I discovered that this fee may be applicable to each town other than Coventry. As I and many others carry out work throughout the West Midlands and Warwickshire does this mean we will have to pay £200 for each town worked. It could incur costs of £1200 per 3 years which is not a viable cost to my business nor many others in the same line of business. There are a lot of sole traders doing this job and these costs would put them out of business. The current Waste Carriers Licence covers us to work all over the country and allows us to take jobs on when none is available locally. It seems to me that if you pass your driving test in Coventry then that is the only place you can drive or so this new license will appear. (I do know that this new licence is not to allow us to drive)

Your comments would be greatly appreciated as this fee is a worrying factor to my business.”

Steve Wright - Wrights Metals