

SCRAP METAL DEALERS ACT - UPDATE & ANALYSIS

Committee	Licensing Committee
Officer Contact	Stephanie Waterford, Residents Services Ian Meens, Residents Services
Papers with report	None
Ward(s) affected	All

HEADLINE

This report gives the Committee an update and an analysis of the Scrap Metal Dealers Act 2013, explaining the effects of the legislation since its introduction in October 2013.

RECOMMENDATION

That the Committee note the update.

SUPPORTING INFORMATION

1 Background

1.1 The Scrap Metal Dealers Bill had its first reading on 20th June 2012, being introduced by Sir Richard Ottaway. The Bill was drafted in response to a rise in metal related thefts in the UK and proposed to repeal the Scrap Metal Dealers Act 1964 and Part 1 of the Vehicles (Crime) Act 2001. The Bill received Royal assent on 28th February 2013, coming into effect on 1st October 2013.

2 Rationale for reform

2.2 Prior to 2012, the number of offences relating to scrap metal were steadily increasing year on year with the Home Office estimating between 80,000 and 100,000 reported thefts in 2010 / 2011. This was estimated to cost the economy £700 million per year (as estimated by the Association of Chief Police Officers in 2010).

2.3 The effect of the increased thefts were felt across a range of sectors including; electricity and communications; transportation infrastructure; residential and commercial buildings; heritage; religious buildings and memorials; street furniture and Highway Authority installations.

2.4 This in turn, highlighted the ineffectiveness of the existing regulatory regime and called for more effective, robust legislation.

3 The Scrap Metal Dealers Act 2013

3.1 The new Act was formed with the intention of raising standards in the trading of scrap metal across the industry, protecting those with legitimate business interests and

giving tougher sanctions against those with criminal motivation. In doing so, new rules were prescribed requiring more detailed and accurate records to be kept, cashless transactions and better identity checks on persons buying and selling scrap.

3.2 Keeping Local Authorities as the primary regulator, the new Act provided a system of licences for sites and individual dealers each containing a comprehensive list of conditions and rules which the licence holder is required to uphold.

4 Summary of Powers

4.1 Any person/body concerned with the trade of scrap metal or motor salvage, whether or not for profit, must obtain a scrap metal dealers licence.

4.2 The Local Licensing Authority may issue licences for individual itinerant scrap dealers, as well as fixed sites. Each application must be accompanied by a fee and the applicant must demonstrate that they are suitable to hold a licence.

4.3 The rules of operation attached to licences include;

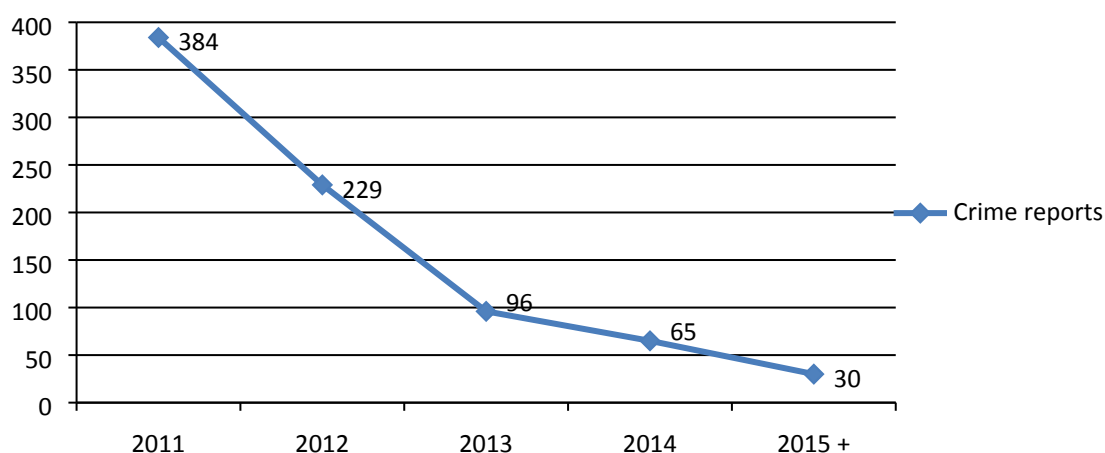
- The dealer cannot trade in cash - all transactions must be electronic or via cheque
- Scrap vehicles cannot be bought for cash
- Records must be kept by all scrap dealers identifying the origin of the scrap, a description of the scrap; the person to whom goods were sold to/bought from; full details of the transaction and amounts paid.

4.4 The Licensing Authority has enforcement powers to take legal action where these matters are not being complied with.

5 Effect of the reformed legislation in Hillingdon

5.1 Since the Act came into force in 2013, there has been a noticeable decline in metal thefts around the Borough.

5.2 Colleagues in the Police have provided us with the following statistics showing the number of crimes reported for stolen copper/lead/brass/aluminium for each yearly period set out below:



5.3 Colleagues in the Hillingdon Highway Service have provided us with the following statistics demonstrating the number of Highway installations which were stolen for each period:

<i>Yearly period</i>	<i>Number of Installations Stolen</i>	<i>Cost to the Taxpayer</i>
2011	250	£25,000
2012	200	£20,000
2013	70	£7,000
2014	0	£0
2015 to date	0	£0

5.4 These figures relate to highway drainage road gully grates, each costing the Council approx £100 each.

6 Operations and investigations since the Act was introduced

6.1 Hillingdon Licensing Officers work closely with colleagues in the Metropolitan Police to ensure that licence holders are complying with the conditions in the Act and also responding to complaints about rogue traders in the Borough. Ian Meens, Hillingdon Licensing Officer and Emly Mitchell, Metropolitan Police will provide a verbal update to Committee Members at the meeting regarding recent and current operations.

7 Conclusion

7.1 The introduction of tighter rules and greater accountability for licence holders has been a major contributing factor to the significant improvement in the number of thefts and damage resulting from the scrap metal trade in Hillingdon.

7.2 The Council, together with the Police are able to demonstrate marked improvements in crime rates and this has generated savings to the Council's highways budgets in replacement drain covers.

7.3 Licensing Officers will continue to work with Police colleagues to ensure that the regulations are being enforced.

Legal implications

None directly arising from this report.

Financial Implications

None directly arising from this report.

Background Papers / Further Reading Material

- The Scrap Metal Dealers Act 2013
- Home Office Guidance on the Scrap Metal Dealers Act 2013
- Get in on the Act - LGA Publication