

# Guidance notes



## Scrap metal dealer licences

Updated June 2016

The Scrap Metal Dealers Act 2013 was introduced in response to the growth in metal theft offences, driven by increased commodity costs, which in addition to the direct impact on the victims of theft have also had a damaging and disruptive effect on the country's infrastructure.

The previous regulation of the scrap metal industry consisting of a simple registration scheme did little to prevent this type of crime, hence the introduction of this Act which repeals the Scrap Metal Dealers Act 1964 (and linked legislation) and Part 1 of Vehicles (Crime) Act 2001, creating a revised single regulatory regime for the scrap metal recycling and vehicle dismantling industries.

The Act maintains local authorities as the principal regulator, but gives them the power to better regulate these industries by allowing them to refuse to grant a licence to 'unsuitable' applicants and a power to revoke a licence if a dealer becomes 'unsuitable'.

The ability to regulate who is, and who is not, a scrap metal dealer is designed to improve the operating standards of those dealers who do not operate in the same way as the majority of reputable dealers. The transition from the requirement on dealers to register to hold a licence provides an opportunity to ensure that those dealers who have been operating illegally are no longer able to do so. The Act aims to raise standards across the scrap metal industry by requiring more detailed and accurate records of transactions to be kept. Scrap metal dealers will also be required to verify the identity of those selling metal to them.

The cashless trading measures brought into force via the Legal Aid, Sentencing and Punishment of Offenders Act 2012 are incorporated into the Scrap Metal Dealers Act 2013 thereby closing off loopholes in the earlier legislation by drawing vehicle dismantlers and former itinerant collectors into the cashless trading regime.

## **What type of licences are issued?**

Site Licence – all 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 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.

It should be noted that a dealer can only hold one type of licence in any one local authority area. A decision will need to be made as to whether a site or mobile licence is applied for.

## **How do I apply for a licence?**

You should submit an application form, alongside the appropriate fee and relevant accompanying documentation for all individuals associated with the application. Documentation includes basic disclosures issued by Disclosure Scotland (for all people listed on the application form), photographic identification (for example a passport, driver's licence or shot gun certificate), or when this is not available, a signed passport photograph, which must be named, signed and dated as a true likeness by someone as set out on the council's approved list (see part 2 of the guidance notes on the application form).

Photographs must be taken against a light background, with your full face uncovered (unless due to religious beliefs) and without sunglasses and be on photographic paper. Where applicable, we recommend the person countersigning your photograph has known you for at least two years and must not be a relative, partner or a person with a criminal conviction.

Wording to be written on the back of the photograph is as follows:

*I [name of counter-signatory] endorse this is a true likeness of [name of applicant].*

The counter-signatory should also write their job title and sign and date the back of the photograph.

## **How long does a licence last?**

A scrap metal dealer licence will last for three years.

## **Determining whether an applicant is suitable**

An applicant for a licence must be suitable and the local authority, when determining suitability, can have regard to:

- whether the applicant or any site manager has been convicted of any relevant offence (see below).
- whether the applicant or any site manager has been the subject of any relevant enforcement action (see below).
- any previous refusal for issue or renewal of a Scrap Metal Licence.
- any previous refusal for an environmental permit or registration.
- any previous revocation of a Scrap Metal Licence.
- whether the applicant has demonstrated that there will be adequate procedures to comply with the Act.

The same considerations also apply to any director or company secretary of a company if the applicant is not an individual.

In making an application all individuals will need to apply for a basic criminal record disclosure through Disclosure Scotland and submit it with their application for a licence.

### **How do I apply for a basic criminal record disclosure?**

You need to submit a basic criminal record disclosure certificate from Disclosure Scotland along with your application form. The basic criminal record disclosure certificate contains details only of any unspent convictions as of the date the certificate is issued. You can apply for this certificate at [Disclosure Scotland](#) .

There is an associated application fee of £25. Disclosure Scotland will usually be able to provide a certificate with the results of the disclosure application within 14 days. In order for applications to be processed applications must include basic criminal record disclosures for all individuals associated with an application.

### **What is a 'relevant offence' and 'relevant enforcement action'?**

Once North Devon Council has received an application we will then compare the results of the certificate with the relevant offences/enforcement action prescribed in The Scrap Metal Dealers Act 2013 (Prescribed Relevant Offences and Relevant Enforcement Action) Regulations 2013.

### **How long is a basic criminal record disclosure valid?**

A basic criminal record disclosure will only be deemed valid by North Devon Council for a period of three months from the date of issue by Disclosure Scotland.

## **What consultation is undertaken with respect of an application?**

The basic disclosure certificate will reveal only any unspent convictions on the Police National Computer. It will not therefore necessarily contain details of convictions for relevant offences secured by the Environment Agency/Natural Resources Wales or by other local authorities. Additionally it will not reveal pending prosecutions etc. As a result North Devon Council will consult these other organisations when assessing the suitability of an applicant.

## **What records is a scrap metal dealer required to keep?**

The Scrap Metal Dealers Act 2013 introduces the requirement for scrap metal dealers to record information with respect of the receipt and disposal of metal for a period of three years.

If a scrap metal dealer receives any scrap metal in the course of a dealer's business, the dealer must record the following information:

- the description of the metal, including its type (or types if mixed), form, condition, weight and any marks identifying previous owners or other distinguishing features
- the date and time of its receipt
- if the metal is delivered in or on a vehicle, the registration mark of the vehicle
- if the metal is received from a person, the full name and address of that person
- if the dealer pays for the metal, the full name of the person who makes the payment acting for the dealer
- if the dealer receives the metal from a person, the dealer must keep a copy of any document which the dealer uses to verify the name or address of that person
- if the dealer pays for the metal by cheque, the dealer must keep a copy of the cheque
- if the dealer pays for the metal by electronic transfer the dealer must keep the receipt identifying the transfer, or if no receipt identifying the transfer was obtained, the dealer must record particulars identifying the transfer.

A scrap metal dealer must also keep the following records with respect of the disposal of metal. For these purposes metal is disposed of whether or not it is in the same form in which it was received; and whether or not the disposal is to another person; and whether or not the metal is dispatched from a site.

Where the disposal is in the course of business under a site licence, records include:

- the description of the metal, including its type (or types if mixed), form and weight
- the date and time of its disposal

- if the disposal is to another person, the full name and address of that person
- if the dealer receives payment for the metal (whether by way of sale or exchange), the price or other consideration received.

Where the disposal is in the course of business under a collector's licence, records include:

- the date and time of the disposal
- if the disposal is to another person, the full name and address of that person.

### **What conditions will appear on a licence?**

North Devon Council's ability to impose conditions on a licence is very limited. Conditions can be imposed only where an applicant or any site manager has been convicted of a relevant offence, or, where North Devon Council is revoking a licence a condition can be imposed until the revocation comes into effect. Therefore, for the majority of applicants it is unlikely that North Devon Council will be in a position to consider imposing conditions. In considering whether to issue a licence where the applicant or a site manager has a relevant conviction, the local authority might decide to do so on the basis that a condition is imposed on the licence.

Councils can impose one or both of two conditions. These conditions specify that:

- the dealer can receive scrap metal only between 9.00am and 5.00pm on any day, in effect limiting the dealer's operating hours; and/or
- any scrap metal received has to be kept in the form the dealer received it for a set period of time, which cannot be more than 72 hours.

### **Do licences have to be displayed?**

A scrap metal dealer who holds a site licence must display a copy of the licence at each site identified in the licence. The copy must be displayed in a prominent place in an area accessible to the public.

A scrap metal dealer who holds a collector's licence must display a copy of the licence on any vehicle that is being used in the course of the dealer's business. The copy must be displayed in a manner which enables it easily to be read by a person outside the vehicle.

### **Where can I collect?**

Those individuals with collectors licences issued by North Devon Council are entitled to collect only in the district of North Devon.

For collectors wishing to have a map in their vehicle(s) we would suggest you gain copies of the Landranger Ordnance Survey Maps (they have a pink spine). These show the North Devon District Council boundary. You will need two maps to show the whole boundary, namely No.180 (Barnstaple and Ilfracombe), and No. 181 (Minehead and Brendon Hills).

### **Offences and penalties**

Enforcement of the Scrap Metal Dealers Act 2013 will commence on 1st December 2013. Please refer to the Act for full details of offences and penalties.

### **Rights of entry**

The Scrap Metal Dealers Act 2013 provides rights of entry to police constables and Council officers to enter and inspect licensed sites (in circumstances as described in the Act above).

### **How long will it take to gain a licence?**

North Devon Council aims to determine whether to grant a licence in a period of 28 days from the receipt of an application.

### **Will tacit consent apply?**

No, after the expiry of 28 days your licence will not be deemed to be granted. North Devon Council will only grant a licence when they are satisfied with respect of an applicant's suitability to hold a licence.

### **Can I vary a licence?**

Dealers can apply to vary a licence from a site licence to a collector's licence or vice versa. Additionally, a variation in a site licence has to be applied for where there are any changes relating to the name of the licensee on the licence; any change in the sites from which the licensee is authorised to carry on business and any change in the details of a site manager.

In the case of a collector's licence a variation has to be applied for where there is a change in the details relating to the name of the licensee.

Individuals should note that variations related to changes in the name of the licensee on the licence for a site or a collector's licence cannot be used to effect a transfer of the licence from one person to another. Anyone wanting to hold a licence to be a scrap

metal dealer has to apply for their own licence. They cannot take over an existing licence. This includes the situation where one business buys another business.

Please place any requests for a variation of a licence in writing.

## **Fees**

The following fees have been approved:

- grant of a Collector's Licence - £123
- renewal of a Collector's Licence - £123
- variation of a Collector's Licence - £40
- grant of a Site Licence - £173
- renewal of a Site Licence - £168
- variation of a Site Licence - £48

## **Public register**

The Scrap Metal Dealers Act creates a requirement for a register of scrap metal dealers licences. The Environment Agency must maintain a register of scrap metal licences issued in England, and Natural Resources Wales must maintain a register of scrap metal licences issued in Wales. Both registers are open to the public.

Under the provisions of the Act when councils issue a licence they are obliged to pass on certain information to the Environment Agency/NRW to enter on the register. The information that has to be passed on about each licence is:

- the name of the council which issued the licence
- the name of the licensee
- any trading name under which the licensee conducts business as a dealer
- the address of any site identified in the licence
- the type of licence (site or mobile)
- the date the licence expires

## **Complaints**

If you feel we have failed to provide you with good service or are concerned about the progress of your application, please telephone the Customer Service Centre. The Licensing Team will endeavour to resolve any concerns you may have.

If you wish to complain about a scrap metal dealer, for example that someone is

operating an unregistered business, or you are disturbed by noise, pollution etc please contact us.

In the event of a consumer complaint we would always advise that in the event of a complaint the first contact is made with the trader by you - preferably in the form a letter (with proof of delivery). If that has not worked, [Consumer Direct](#) will give you advice.

### **Trade associations**

[British Metals Recycling Association \(BMRA\)](#)

[International Aluminium Institute](#)

[International Lead Association](#)

[Metal Bulletin](#)