

**HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
8 October 2013

**Subject: FEES AND CHARGES – SCRAP METAL LICENCES**

**All Wards**  
**Portfolio Holder for Leisure and Health: Councillor Mrs S Shepherd**

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**1.0 PURPOSE AND BACKGROUND:**

- 1.1 Whilst the power to vary fees and charges has been delegated to Directors in consultation with the Portfolio Holder, the establishment of new fees and charges has not.
- 1.2 The purpose of this report is to consider establishing a new charge in relation to issuing licences for scrap metal sites and collectors.
- 1.3 From 1 October 2013, the Scrap Metal Dealers Act 2013 establishes a new licensing regime to regulate all scrap metal dealers and motor salvage operators and replaces previous legislation.

**2.0 NEED AND RATIONALE:**

- 2.1 In order for anyone to carry on business as a scrap metal dealer they must hold a licence. Two types of licence are specified in the Act and a dealer can only hold one type in any given local authority area:-
  - 2.1.1 **Site licence**

A site is defined as ‘any premises used in the course of carrying on business as a scrap metal dealer (whether or not metal is kept there)’. All the sites where a licensee carries on business as a scrap metal dealer must be identified, and a site manager must be named for each site. A site licence allows the licensee to transport scrap metal to and from those sites from any local authority area.
  - 2.1.2 **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.
- 2.2 These licences will last for three years. Trading without a licence is a criminal offence.
- 2.3 Licences can be issued immediately and any application must be accompanied by a fee. The fee is set by the local authority having had regard to guidance issued by the Home Office with the approval of the Treasury.
- 2.4 There are growing numbers of collectors operating in Hambleton and some regulation is needed in order to protect the public. The resources to do this have been created by efficiencies made elsewhere in the Environmental Health team.
- 2.5 Annex A sets out initial proposals for this charge.

### 3.0 **RISK ASSESSMENT:**

#### 3.1 Risk in approving the recommendation

Risk	Implication	Prob*	Imp*	Total	Preventative action
Income generated will exceed costs	Non-compliance with Home Office fees and charges guidance	3	4	12	Monitor costs and revise fees in 3 years to bring costs and income into line

#### 3.2 The key risk is in not approving the recommendation as shown below:-

Risk	Implication	Prob*	Imp*	Total	Preventative action
Licensed sites cannot convert their licence within legislative timetable	Businesses will trade illegally or cease trading and the Council will potentially lose income	4	4	16	Approve fees as recommended or almost the same if different.
Scrap metal collectors cannot be licensed	Collectors will trade illegally or cease trading and Council will potentially lose income.	4	3	12	Approve fees as recommended or almost the same if different.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable.

### 4.0 **FINANCIAL IMPLICATIONS:**

4.1 Registrations under the Scrap Metal Dealers Act 1964 are free of charge and Motor Salvage Operator Licences are £70. The total income for Hambleton District Council is £350 at present. The new provisions replace the above legislation and will enable the Council to charge an appropriate fee on a cost recovery basis which could total about £2,500. This is based on the level of costs involved in implementing the new legislation.

4.2 As this is a new licence, detailed information is not yet available of the time taken to process licence applications. The fee lasts for three years. The fee will be recalculated prior to the end of the three year period on the basis of actual information.

### 5.0 **RECOMMENDATION:**

5.1 It is recommended that Council approves the fees as set out in Annex A for licensing scrap metal site and collector licences.

DAVID GOODWIN

**Background papers:** Scrap Metal Dealers Act 2013: guidance on licence fee charges. Home Office. August 2013.

**Author ref:** PM

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**SCRAP METAL DEALERS ACT 2013****Licence Fee Charges**

- a) Any application must be accompanied by a fee. The fee is set by the Local Authority having had regard to guidance issued by the Home Office with the approval of the Treasury. This Guidance was published on 12 August 2013 and sets out the matters that must be, and must not be, taken into account when calculating appropriate fees.
- b) In general, the Local Authority can recover the actual costs which should reflect:-
- The time spent assessing and administering applications;
  - Processing them;
  - Having experienced Licensing Officers review them;
  - Storing them;
  - Consulting on the suitability of an applicant;
  - Reviewing relevant offences;
  - The decision on whether to issue a licence;
  - The cost of issuing licences in a format that can be displayed.

Consulting the local authority's enforcement records in order to determine the suitability of the applicant is chargeable within the licence fee costs as are costs associated with contested licence applications.

- c) The licence fee cannot be used to support enforcement activity against unlicensed scrap metal dealers. Therefore the licence fees will never cover the full cost of local authority activities in relation to scrap metal.
- d) As this is a new licence, there is no historical information available upon which actual costs can be based. A theoretical calculation has therefore been undertaken based on experience of other licensing activities.
- e) In order to comply with the Provision of Services Regulations, which were brought into UK law by the European Services Directive 206/123/EC on 28 December 2009, the fees charged must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed these costs. Any excess of income over costs should be taken into account when setting the fees and charges in the following year.
- f) The initial application fee will cover a three year period beginning with the day on which it is issued. Fees should be specified for:-
- i) the assessment of an application for a licence;
  - ii) the assessment of an application to vary a licence; and
  - iii) the assessment of an application for licence renewal.
- g) Two types of licence are specified in the Act – one is for a site licence and the other is for a mobile collector (carrying on a business otherwise than at a site).

h) The recommended fees for approval by the Local Authority are as shown in the following table:-

Site Licence (Grant)	£265 (if more than one site is specified, +£70 per site)
Site Licence (Renewal)	£240 (if more than one site is specified, +£70 per site)
Collector Licence (Grant)	£247.50
Collector Licence (Renewal)	£247.50
Variation (Change of Site Manager)	£37.50
Variation (Site Licence to Collector Licence)	£37.50
Variation (Collector Licence to Site Licence)	£62.50 (if more than one site is specified, +£35 per site)
Variation (Change of Site)	£62.50 (if more than one site is subject to change, +£35 per site)
Variation (Change of Details)	£15