



THE COUNCIL OF THE CITY OF GLOUCESTER

**STATEMENT OF LICENSING POLICY AND GUIDELINES
FOR SCRAP METAL**

FINAL

CONTENTS

SECTION	CONTENT	PAGE NO
1.	Introduction	2
2	Background	3 & 4
3.	Types of Licence	4 & 5
4.	Suitability	5 & 6
5.	Supply of Information by Authority	6
6.	Register of Licences	6
7.	Display of Licence	6
8.	Verification of Supplier's Identity	6
9.	Payment for Scrap Metal	7
10.	Records – Receipt of Metal	7
	Records - Disposal of Metal	7 & 8
	Records – Supplementary	8
11.	Right of Entry & Inspection	8 & 9
12.	Application Procedure	9, 10 & 11
13.	Appeals	11
14.	Revocation and Imposing Conditions	11 & 12
15.	Closure of Unlicensed Sites	12 & 13
16.	Delegation of Functions	14
17	Enforcement	14
18.	Offences & Penalties	15 & 16

APPENDIX A	Map of the District
APPENDIX B	Contact Details for Consultees

1. Introduction

- 1.1 Metal theft over recent years has had a significant impact on communities, businesses and local authorities alike. Such thefts have seen communications and the train network disrupted, historic buildings, churches etc desecrated, and everybody's safety put at risk with inspection covers, drainage gully covers and road signage being stolen. The Scrap Metal Dealers Act 2013 has been created to help prevent some of the previous issues surrounding the sale, collection, storage and disposal of scrap metal.
- 1.2 This Policy outlines the requirements of the Scrap Metal Dealers Act 2013 (the Act). It gives guidance to new applicants, existing licence holders, consultees and members of the public as to how the Council will administer and enforce the requirements of the Act.
- 1.3 Gloucester City Council (the Authority) under the act may depart from this policy if individual circumstances of any case warrant such a deviation. In such cases the Authority must give full reasons for doing so.
- 1.4 This Policy will be reviewed on a regular basis. In the preparation and publication of this Policy in addition to residents and scrap metal dealers, the following (see Annex 1 for contact details) will be consulted.
 - a) Gloucestershire Constabulary
 - b) The Environment Agency
 - c) The Council's Environmental Protection Team
 - d) Gloucestershire County Council Trading Standards
 - e) British Transport Police
 - f) Existing Licence Holders
 - g) Relevant Trade Associations
 - h) The Council's Development Control Team
 - i) Quedgeley Parish Council
 - j) Gloucestershire Fire & Rescue
- 1.5 Gloucester City Council is situated in the City of Gloucester which contains 6 district councils in total. The Council area has an estimated population of 121,700 (2011 census) making it the largest urban Authority in the County in terms of population. In terms of area it is one of the smallest covering just 15.64 square miles. The City of Gloucester is the County town for

Gloucestershire and its area is mainly urban. It is surrounded by the rural authorities of the County. A map of the County is attached as Appendix A. . More information on streets within the City boundary can be found at www.gloucester.gov.uk

2. Background

- 2.1 The Scrap Metal Dealers Act 2013 came into effect on 1st October 2013, with full enforcement powers coming into effect on 1st December 2013. It repeals previous legislation and creates a revised regulatory regime for scrap metal recycling and vehicle dismantling industries.
- 2.2 The Act defines a 'scrap metal dealer' as a person who carries on the business which consists wholly or in part of the buying or selling of scrap metal, whether or not the metal is sold in the form it was bought. This does not include manufacturing operations that sell metal as a by-product of the processes being used in that operation. It does, however, include the business of collecting scrap metal, i.e. door to door collectors even if no money is paid for scrap metal collected.
- 2.3 The definition of scrap metal dealer is wide and may include skip hire firms, and tradesmen, such as plumbers and builders who sell scrap metal resulting from their businesses.
- 2.4 In these circumstances, each business will be considered on its own merits, but consideration will be given to the amount of metal sold and how incidental the sale is to the main business. So, in most cases, for plumbers, electricians and builders etc. the sale of metal will be incidental and should not require a licence. However, skips sited at demolition sites, or at engineering manufacturing sites or plumbers' yards, are likely to contain a significant amount of metal, so the skip hire company may require a licence if they are involved in the buying or selling of scrap metal.
- 2.5 The Act identifies the local authority of each district as the principal regulator for their area and gives them the power to regulate these industries by the ability to refuse licences to 'unsuitable' applicants and the power to revoke those licences held by licence holders who become 'unsuitable'.
- 2.6 The Act states that 'scrap metal' includes:
 - any old, waste or discarded metal or metallic material, and
 - any product, article or assembly which is made from or contains metal and is broken, worn out or regarded by its last holder as having reached the end of its useful life

This definition includes platinum and other rare metals now being used in catalytic converters and vehicle exhausts.

- 2.7 The following is **not** considered to be 'scrap metal'
 - gold;
 - silver, and

- any alloy of which 2 per cent or more by weight is attributable to gold or silver.

2.8 A dealer also includes someone carrying on the business as a motor salvage operator. Motor salvage operator is defined as a business that:

- wholly or in part recovers salvageable parts from motor vehicles for re-use or re-sale, and then sells the rest of the vehicle for scrap;
- wholly or mainly involves buying written-off vehicles and then repairing and re-selling them;
- wholly or mainly buys or sells motor vehicles for the purpose of salvaging parts from them or repairing them and re-selling them.

2.9 The Act is not intended to include second hand goods. Jewellers or businesses trading in second hand gold, silver and products are not included in this legislation.

Vehicles without a certificate of destruction, with or without a valid MOT or re-usable & tested parts removed from an end of life scrap vehicle will not be considered as scrap but as a vehicle commodity and are likely to be classed as second hand goods. Other vehicles are likely to be considered scrap. These aspects will be considered when the Council determines whether or not a scrap metal dealer licence is required. It should also help prevent any motor salvage operators attempting to circumvent the legislation and its requirements.

2.10 Any words or expressions in this Policy have the meaning assigned to them under the Act.

3. Types of Licence

3.1 A licence is required to carry on the business as a scrap metal dealer. A licence once granted lasts for three years. Trading without a licence is a criminal offence.

3.2 There are two types of licences specified in the Act:

Site Licence

All sites operating as a scrap metal business must be licensed. Each site must have a named site manager. A site licence allows the licence holder to transport scrap to and from the site from any local authority area.

Collector's Licence

This licence allows the holder to collect scrap within the areas of the issuing local authority. This licence does not permit the holder to operate a scrap metal site, nor does it allow the collection outside of the areas of the issuing authority. If a person collects scrap from more than one local authority area, a collector's licence will be required from each local authority he/she collects scrap within.

A scrap metal dealer may not hold more than **ONE** licence issued by any one local authority.

- 3.3 A site under the Act is defined as 'any premises used in the course of carrying on a business as a scrap metal dealer, (whether or not metal is kept there)'. This means a dealer will require a site licence for an office, even if they do not operate a metal store or yard from those premises.
- 3.4 Holding a site or collector's licence does not exempt the licensee from requiring any other licence or permit to operate a scrap metal business. For example, a waste carrier registration issued by the Environment Agency.

4. Suitability of Applicant

- 4.1 The Council must determine if an applicant is a suitable person to carry on the business as a scrap metal dealer.
- 4.2 The Council must have regard to any information which it considers to be relevant, this may include:
- a) Whether the applicant or site manager has been convicted of any relevant offence; or
 - b) Whether the applicant or site manager has been the subject of any relevant enforcement action; or
 - c) Whether there has been any refusal of an application of the issue or renewal of a scrap metal licence, and the reasons for the refusal; or
 - d) Whether there has been any refusal of an application for a relevant environmental permit or registration, and the reasons for the refusal; or
 - e) If there has been any previous revocation of a scrap metal licence, and the reasons for the revocation; or
 - f) Whether the applicant has demonstrated there will be adequate procedures in place to ensure compliance with the Act.
- 4.3 When establishing the applicant's suitability, the Council may consult with the following agencies:
- a) Gloucestershire Constabulary;
 - b) The Environment Agency
 - c) The Council's Environmental Protection Team;
 - d) Gloucestershire Trading Standards;
 - e) The Council's Development Control Team
 - f) Any other Licensing Authority

- 4.4 Relevant offences or relevant enforcement action are those listed under the Scrap Metal Dealers Act 2013 (Prescribed Relevant Offences and Relevant Enforcement Action) Regulations 2013.

5. Supply of Information by Authority

- 5.1 Information supplied to the Authority in relation to an application for, or relating to a scrap metal licence must be provided when requested relating to a licence to:
- a) any other local authority;
 - b) the Environment Agency; or
 - c) an officer of the police force.

This does not limit any other powers and duties the Council has to supply that information.

6. Register of Licences

- 6.1 The Environment Agency will maintain a register of scrap metal licences issued by all local authorities in England. The register will include the following information:
- a) name of the authority which issued the licence;
 - b) the name of the licensee;
 - c) any trading name of the licensee;
 - d) the address of the site identified on the licence;
 - e) the type of licence, and
 - f) the date of expiry of the licence.

The register will be open for inspection by members of the public.

- 6.2 The Council are required to update the register on a regular basis.

7. Display of Licence

- 7.1 Once granted, a copy of the licence must be displayed at each site identified on the licence, in a prominent place accessible to members of the public.
- 7.2 A copy of a collector's licence must be displayed on any vehicle that is being used in the course of a dealer's business. It must be displayed in a prominent position so that it can easily be read from outside the vehicle.

8. Verification of Supplier's Identity

- 8.1 Before receiving scrap metal, the dealer must verify a person's full name and address, by reference to documents, data or other information obtained from a reliable and independent source.

8.2 If suitable verification is not obtained the scrap metal dealer, or site manager, or person who has been delegated responsibility by the dealer or site manager for verifying the name and address, shall be guilty of an offence.

9. Payment for Scrap Metal

9.1 A scrap metal dealer must only pay for scrap metal by either;

- a) a cheque (which is not transferrable under Section 81A of the Bills of Exchange Act 1882); or
- b) electronic transfer of funds (authorised by a credit, debit card or otherwise).

Payment includes paying in kind with goods and services.

10. Records

10.1 The scrap metal dealer must keep two types of records:

- a) receipt of Metal
- b) disposal of Metal

10.2 Receipt of Metal

If metal is received in the course of the dealer's business, the following must be recorded:

- a) description of the metal, including its type (types if mixed) form, condition, weight and any marks identifying previous owners or other distinguishing features;
- b) date and time of receipt;
- c) the registration mark of the vehicle it was delivered by;
- d) full name and address of the person delivering it, and
- e) full name of the person making payment on behalf of the dealer.

10.3 The dealer must keep a copy of the documents used to verify the delivery person's name and address.

10.4 If payment is by cheque a copy of the cheque must be retained.

10.5 If payment is by electronic transfer a receipt identifying the transfer must be retained, or the details of the transfer.

10.6 Disposal of Metal

10.7 Disposal under the Act covers metal:

- a) whether or not it is in the same form as when it was purchased;
- b) whether or not it is to another person; or
- c) whether or not it is despatched from a site.

- 10.8 Disposal records must be recorded, including:
- a) description of the metal, including type (types if mixed), form, weight
 - b) date and time of disposal;
 - c) if to another person, their full name and address, and;
 - d) if payment is received for the metal (sale or exchange) the price or other consideration received.
- 10.9 If disposal is in the course of business conducted under a collector's licence, the dealer must record:
- a) date and time of disposal, and;
 - b) if to another person, their full name and address.
- 10.10 **Supplementary**
- 10.11 The information collected during receipt and disposal must be recorded in such a manner that allows the information and the metal to which it relates to be easily identified.
- 10.12 The records of receipt must be marked so as to identify the metal to which they relate.
- 10.13 Records must be kept for a period of 3 years beginning on the day of receipt, or disposal (as may be).
- 10.14 If suitable records for the receipt or disposal of scrap metal are not kept then the scrap metal dealer, or site manager, or person who has been delegated responsibility by the dealer or site manager for keeping records, shall be guilty of an offence.
- 10.15 A dealer or site manager may have a defence if they can prove arrangements had been made to ensure the requirement to keep records was fulfilled, or that they took all reasonable steps to ensure those arrangements were complied with.

11. Right of Entry & Inspection

- 11.1 An authorised officer of the Council may enter a licensed site at any reasonable time, with or without notice to the site manager.
- 11.2 Entry and inspection without notice would occur, if:
- a) reasonable attempts to give notice had been given and had failed, or
 - b) entry to the site is reasonably required for the purpose of ascertaining whether the provisions of the Act are being complied with or investigating an offence under it, and, in either case, the giving of the notice would defeat that purpose.
- 11.3 Paragraphs 11.1 and 11.2 do not apply to residential premises.

- 11.4 An authorised officer of the Council is not entitled to use force to enter a premises, but may ask a justice of the peace to issue a warrant authorising entry, if they are satisfied there are reasonable grounds for entry to the premises is reasonably required for the purpose of:
- a) securing compliance with the provisions of the Act, or
 - b) ascertaining whether those provisions are being complied with.
- 11.5 'Premises' under this section include:
- a) a licensed site, or
 - b) premises that are not licensed, but there are reasonable grounds for believing the premises are being used as a scrap metal dealing business.
- 11.6 An authorised officer of the Council may use reasonable force in the exercise of their powers under a warrant obtained under paragraph 11.4.
- 11.7 An authorised officer of the Council may require:
- a) production of, and inspect, any scrap metal kept at an licensed premises, and
 - b) require production of, and inspect, any records kept in respect of receipt and disposal of metal, and
 - c) to take copies of or extracts from any such record
- 11.8 An authorised officer of the Council must produce evidence of their identity, and evidence of their authority to exercise these powers, if requested by the owner, occupier, or other person in charge of the premises.

12. Application Procedure

- 12.1 An application form, available from the Council's website or from the Council's Licensing Team must be completed, together with the correct fee and a current Basic Disclosure. A Basic Disclosure is a criminal record check that lists any unspent criminal convictions an applicant may have, and, can be applied for at www.disclosurescotland.co.uk
- 12.2 A Basic Disclosure will be valid for 3 months from the date of issue.
- 12.2 A licence once granted is valid for 3 years.
- 12.3 A renewal application must be received before the expiry of the current licence and continues in effect until determined, if the application is withdrawn the licence expires at the end of the day on which the application was withdrawn.
- 12.4 If a licence application is refused, the licence expires when no appeal is possible, or an appeal is determined or withdrawn.
- 12.5 A licence may be varied from one type to another, i.e. site licence to collector's licence.

A variation application must be made to reflect changes to:

- a) name of licensee, site manager, or sites on a site licence, or
- b) name of licensee on a collector's licence

A variation cannot be used to transfer the licence to another person, only to amend the name of a licensee.

An application to vary must be made to the issuing authority.

- 12.6 The Council may request additional information is provided for the consideration of the application.

Failure to provide such information may result in the application being refused.

- 12.7 The fee is set by the Council under guidance issued by the Home Office with the approval of the Treasury.

- 12.8 Fees are set after taking into account the cost of processing, administering and compliance costs associated with the licence. The Council is committed to reviewing fees on a regular basis.

- 12.9 If the Council proposes to refuse an application, or to revoke, or to vary a licence by imposing conditions, a notice must be issued to the licence holder setting out the council's proposals and the reasons for the decision. The notice will indicate the time period in which the applicant or licensee can either:

- a) Make representation about the proposal, or
- b) Inform the Council that the applicant or licensee wishes to do so

This time period must not be less than 14 days beginning on the day the notice was given to the applicant or licensee.

- 12.10 If a notification is received that the applicant or licensee wishes to make representation, the Council will consider each case on its merits and allow for a reasonable period to make representations.

- 12.11 If the applicant or licensee does not make representation or notify the council that they wish to do so, within the time period specified in the notice the Council may refuse, revoke or vary the licence.

- 12.12 If the applicant or licensee makes representations within the time period specified in the notice or within a time period considered reasonable by the Council, the Council must consider the representations.

- 12.13 If the applicant or licensee informs the Council that they wish to make oral representations, the Council must give them the opportunity of appearing before, and being heard by the Council's Licensing & Enforcement Sub Committee.

- 12.14 If the Council refuse the application, or revokes or varies the licence within the time period specified in the notice it will give the applicant or licensee a notice setting out the decision and the reasons for it.

The notice will state:

- a) That the applicant or licensee may appeal against the decision
- b) The time within which such appeal may be brought, and
- c) In the case of a revocation or variation within the time period specified in the notice the date on which the revocation or variation is to take effect.

13. Appeals

- 13.1 An applicant may appeal to the magistrates' court against a refusal of an application or variation,

A licensee may appeal to the magistrates' court against the inclusion on the licence of a condition under Section 3(8) of the Act, or a revocation or variation of a licence under Section 4 of the Act.

The appeals procedure will be in accordance with the Magistrates Courts Act 1980, and must be lodged within 21 days of receipt of the decision notice.

On appeal the magistrates' court may confirm, vary or reverse the Authority's decision, and give such directions as it considers appropriate having regard to the provisions of the Act.

14. Revocation and Imposing Conditions

- 14.1 The Council may revoke a scrap metal licence if it is satisfied the licence holder does not carry on a scrap metal business at any of the sites named on the licence.
- 14.2 The Council may revoke a scrap metal licence if it is satisfied the site manager named on the licence does not act as a site manager at any of the named sites on the licence.
- 14.3 The Council may revoke a scrap metal licence if it is no longer satisfied the licence holder is a suitable person to carry on the business.
- 14.4 If the licence holder, or site manager named on a licence is convicted of a relevant offence, the authority may impose one or both of the following conditions:
- a) the dealer must not receive scrap metal except between 9am and 5pm on any day;

- b) all scrap metal received must be kept in the form in which it was received for a specified period, not exceeding 72 hours, beginning with the time when it was received.

14.5 A revocation or variation only comes into effect when no appeal under the Act is possible, or when such appeal has been determined or withdrawn.

14.6 If the Council considers the licence should not continue without the addition of one or more of the conditions in paragraph 14.4 the licence holder will be given notice:

- a) that, until a revocation comes into effect, the licence is subject to one or both of the conditions, or
- b) that a variation comes into immediate effect

15. Closure of Unlicensed Sites

15.1 If an authorised officer of the Council is satisfied premises are being used by a scrap metal dealer in the course of their business and the premises are unlicensed, they may issue a closure notice.

A copy of the notice must be given to:

- a) a person who appears to be the site manager, and
- b) any person who appears to be a director, manager, or other officer of the business

A copy may also be given to any person who has an interest in the business, a person who occupies part of the premises, or where the closure may impede a person's access to that other part of the business.

15.2 After a period of 7 days, the Council's authorised officer may apply to a justice of the peace for a Closure Order.

The court must be satisfied the premises will continue to be used by a scrap metal dealer, or there is a reasonable likelihood that the premises will be.

A Closure Order will close the premises immediately, and the premises will remain closed to the public until the Council makes a termination of closure order by certificate. The scrap metal dealer must cease his business immediately. It will require the defendant to pay a sum into the court, which will not be released until the person has complied with the requirements of the order.

Such an Order may have a condition relating to the admission of people into the premises, or may include a provision the court considers appropriate.

A copy of the Order must be placed on the premises in a prominent position by the Council.

- 15.3 Once the requirements of the Order have been complied with and the Council is satisfied the need for the Order has ceased, a Certificate may be made. The effect of making a Certificate is that it ceases the Order and the sum of money paid into the court is released.

A copy of the Certificate must be given to any person the closure order was made against, a copy must be given to the court and a copy must be placed on the premises.

A copy of the Certificate must also be given to anyone who requests one.

- 15.4 Anyone issued with a Closure Order may complain to a justice of the peace. The court may discharge the Order, if it is satisfied there is no longer a need for it.

The Licensing Authority may be required by the court to attend and answer the complaint made.

Notice of the hearing must be given to all people issued with the Closure Order.

- 15.5 Appeals may be made to the Crown Court against:

- a) a closure order;
- b) a decision not to make a closure order;
- c) a discharge order; or
- d) a decision not to make a discharge order

An appeal must be lodged within 21 days beginning on the day on which the order or decision was made.

Appeals against a) and b) may be made by any person who was issued with a Closure Order.

Appeals against c) and d) may be made by the Licensing Authority.

- 15.6 A person is guilty of an offence, if they allow the premises to be open in contravention of a Closure Order, without reasonable excuse, or fails to comply with, or contravenes a Closure Order.

- 15.7 An authorised officer of the Council may enter the premises at any reasonable time to ensure compliance with the Closure Order. They may use reasonable force if necessary.

- 15.8 An authorised officer of the Council must produce evidence of their identity or evidence of their authority to exercise the powers under the Act, if requested to do so.

16. Delegation of Functions

16.1 Where there are uncontested applications, or where there are no questions about the suitability of the applicant the determination should be dealt with by the Council's Licensing Team.

16.2 Contested applications where there is relevant information from any of the consultees, or queries regarding an applicant's suitability, revocation of a licence or the imposition of conditions, will be determined by the Council's Licensing Sub-Committee.

16.3 Table 1 below outlines the Delegation of Functions

Table 1. Delegation of Functions			
Matter to be dealt with	Full Committee	Sub Committee	Officers
To determine fees for Scrap Metal Dealers licence applications	All Cases		
To determine and approve policy for the implementation and deliver of the Scrap Metal Dealers Act 2013	All cases with exception below*		
*Processing minor amendments to policy as a result of pending guidance			The Director of Services & Neighbourhoods in consultation with the Chair of the Licensing and Enforcement Committee
New or Renewal Applications		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Variation of licence by the imposition of conditions following licence holder or site manger being convicted of relevant offence		All Cases	
Revocation of licence		All Cases	
Variation of licence under Schedule 1, Section 3			All non-contentious cases

17. Enforcement

17.1 In order to ensure compliance with the legislation and any conditions imposed, licences will be inspected using a risk-based approach.

This will allow resources to be more effectively targeted on high-risk or problematic licence holders and prevent over burdensome enforcement on compliant and well managed licences.

17.2 Appropriate enforcement action will be taken in accordance with the legislation any guidance issued under that legislation, the Council's Enforcement Policy, the Governments Enforcement Concordat and any other enforcement protocols that may be agreed with other agencies.

18. Offences & Penalties

18.1 The following paragraphs are only indicative of the general offences and penalties. Independent legal advice should be sought for individual cases.

18.2 Offences relating to scrap metal dealing are described under the relevant piece of legislation.

18.2 Table of Offences – Scrap Metal Dealers Act 2013

Section	Offence	Maximum Penalty
1	Carrying on the business as a scrap metal dealer without a licence	Level 5
8	Failure to notify the authority of any changes to details given with the application	Level 3
10	Failure to display site licence or collector's licence	Level 3
11 (6)	Receiving scrap metal without verifying persons full name and address	Level 3
11 (7)	Delivering scrap metal to dealer and giving false details	Level 3
12 (6)	Buying scrap metal for cash	Level 5
13	Failure to keep records regarding receipt of metal	Level 5
14	Failure to keep records regarding disposal of metal	Level 5
15 (1)	Failure to keep records which allow the information	Level 5

	and the scrap metal to be identified by reference to one another	
15 (2)	Failure to keep copy document used to verify name and address of person bringing metal, or failure to keep a copy of a cheque issued	Level 5
16	Obstruction to right of entry and failure to produce records	Level 3

18.4 Current levels of fines:

- Level 1 - £200
- Level 2 - £500
- Level 3 - £1,000
- Level 4 - £2,500
- Level 5- £5,000

18.5 Offences by Bodies Corporate

Where an offence under the Act is committed by a body corporate and is proved:

- a) to have been committed with the consent or connivance of a director, manager, secretary or similar officer, or
- b) to be attributable to any neglect on the part of any such individual

the individual as well as the body corporate is guilty of the offence and liable to be prosecuted against and punished accordingly.

Where the affairs of the body corporate are managed by its members, any acts or omissions committed by that member will be treated as though that member were a director of the body corporate.

