

COMMUNITY PROTECTION COMMITTEE

DATE	05/03/2025
REPORT OF	Carolina Borgstrom Director of Economy, Environment & Infrastructure
SUBJECT	Scrap Metal Dealers Licences - Fees Review
STATUS	Open

CONTRIBUTION TO OUR AIMS

Stronger Community:

- Ensure fees are in place to fund an effective system of scrap metal licensing aimed at preventing metal theft.

Stronger Economy:

- Strengthen the local economy by supporting compliant scrap metal collectors through action against non-compliant businesses.

EXECUTIVE SUMMARY

- This report sets out a proposed revised fee structure for Scrap Metal Licensing in North East Lincolnshire.

RECOMMENDATIONS

- That Committee approve the revised table of fees set out in appendix 1 of this report from 1st April 2025.

REASONS FOR DECISION

To set a new fee structure for the Scrap Metal Licensing regime in North East Lincolnshire that is based on cost recovery of the services provided and complies with the requirements of the financial plans agreed by Full Council.

1. BACKGROUND AND ISSUES

1.1. The Scrap Metal Dealers Act 2013 provides local authorities with the power to regulate these industries by providing a power to refuse to grant a licence and revoke licences if the dealer is considered 'unsuitable'.

1.2. Key features of the Act include:

Locally set licence fees
Suitability test
Revocation powers
Entry and inspection powers
Licence conditions supported by criminal offences;
Closure powers for unlicensed sites
Site and vehicle badging;
National register of licensed dealers.

1.3. Two types of licence are specified within the Act:

Site Licence

This requires all sites at which the licensee carries on business as a scrap metal dealer within the local authority area to be identified; and requires a site manager to be named for each site. They are permitted to operate from those sites as a scrap metal dealer, including transporting scrap metal to and from those sites from any local authority area.

Collector's Licence

This authorises the licensee to operate as a mobile collector in the area of the issuing local authority, permitting them to collect any scrap metal as appropriate. This includes commercial as well as domestic scrap metal.

Licenses last for 3 years unless revoked or surrendered.

1.4. Local authorities can charge licence fees to cover the costs of work associated with the licensing of Scrap Metal Dealers.

1.5. The Provision of Services Regulations 2009, Regulation 18 (4) states that –

Any charges provided for by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities.

1.6. All licence fees are reviewed annually to ensure cost recovery and compliance with the above legislation and principles as far as possible.

1.7. The amendments made reflect the use of current recharge and hourly rates, and also some operational changes resulting in time savings.

2. RISKS AND OPPORTUNITIES

- The effective implementation of this legislation is designed to the control of scrap metal dealers and prevention of crime associated with scrap metal
- The rights of currently licensed operators must be maintained.

- Where necessary literacy issues must be taken into account with the implementation and enforcement of the Act
- The fees must be set on a cost recovery basis with regards to Home Office guidance.
- The effective implementation of this legislation can play a part in improving the Social, Economic and Environmental well-being of the Borough through reduction in metal theft, support for compliant operators and enforcement action against rogue traders. Failure to do so will have the opposite effect.

3. OTHER OPTIONS CONSIDERED

Alternative fees could be set but they would not comply with Section 5 of this report.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are potential positive reputational implications in relation to effective implementation of this legislation although the proposed increase in fees may not be well received by some sections of the trade. An action plan has been agreed with the Council's communications service covering information requirements and communication channels to be utilised.

5. FINANCIAL CONSIDERATIONS

The proposal is consistent with the Council's finance strategy in relation to cost recovery.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

No Direct Implications

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Potential environmental damage caused by the illegal trade, storage and disposal of scrap metal can be controlled through this regime.

8. FINANCIAL IMPLICATIONS

Fees are set in order to fully recover the costs of the service.

9. LEGAL IMPLICATIONS

- 9.1** The Council can set its own fees. The fee must be reasonable and proportionate to recover its costs in the administration of the applications and further costs to ensure compliance.
- 9.2** It is considered best practice to regularly review fees to ensure a robust and transparent cost recovery basis for such fees.

10. HUMAN RESOURCES IMPLICATIONS

No implications.

11. WARD IMPLICATIONS

All Wards

12. BACKGROUND PAPERS

None

13. CONTACT OFFICERS

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APPENDIX 1 - PROPOSED SCRAP METAL DEALERS FEES 2025-26		
	Current	Proposed
Site Licence with one site*	£620	£650
Each additional site added to a site licence on application	£384	£400
Collectors Licence*	£440	£460
Change of Collectors Licence Details	£48	£50
Changes to Site Details on Site Licence	£48 plus £48 for each additional site	£50 plus £50 for each additional site
Changes to Site Manager on Site Licence	£179	£187
Change from Site Licence to Collectors Licence	£179	£187
Change from Collectors Licence to Site Licence	£323 plus £179 for each extra site	£337 plus £187 for each extra site
Copy of Licence	£48	£50

- 3 year licence