

Civic Government (Scotland) Act 1982**Licensing of Metal Dealers – Consultation****Report by Director, Corporate Resources****1 Purpose of Report**

The purpose of this report is to appraise the Committee about a consultation issued by the Scottish Government (SG) in relation to Metal Dealers; and to seek views as regards the issues that have been identified in the review. In particular, concerns have been expressed about the rise in criminal activity.

2 Background

The licensing of Metal Dealers and Itinerant Metal Dealers is mandatory and local authorities exercise control via mandatory and discretionary conditions. The legislation imposes a number of requirements that licence holders must comply with. The purpose of licensing is to prevent crime and preserve public order and public safety.

3 Regulation

In February 2013, the SG introduced legislation aimed at increasing greater control by adapting the exemption scheme by increasing the threshold under which licensing is not required from £100,000 to £1m, the effect of which was to include most dealerships. During that consultation exercise a number of other actions were identified as in need of further examination, namely:-

- to consult further on removing the exemption warrant system entirely thereby creating a level playing field with all metal dealers subject to licensing conditions;
- to work with the industry and others to ensure that the licensing scheme ensures appropriate and proportionate regulation of the industry without jeopardising the operation of legitimate businesses;
- in particular, to look at the requirements around retention of metal and consider removing this from licensing requirements whilst retaining it as an optional condition for licensing authorities to impose on a case by case basis;
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- to consider as part of further consultation if other conditions should be set nationally as mandatory conditions for all dealers. A variety of suggestions were included in responses to this consultation including CCTV, identity checks of customers, recording of details of customer, their vehicle and the metal transacted; and
- to consider further the position of itinerant metal dealers within the licensing scheme.

The SG now seeks to introduce further regulatory activities via the imposition of additional conditions as described in the consultation document (**Appendix 1**). The relative questions and potential answers are shown in **Appendix 2**.

4 Consultation

Consultation has taken place with the Police, Fire and Trading Standards Officers and their responses have been included in the draft answers.

5 Report Implications

5.1 Resource

There are no resource implications.

5.2 Risk

The risk here relates to, prevention of crime and preservation of public order and public safety.

5.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☒ Community safety
- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

5.4 Impact on Performance and Outcomes

There is no impact on Performance and Outcomes.

5.5 Adopting a Preventive Approach

The consultation relates to this topic

5.6 Involving Communities and Other Stakeholders

Consultation took place with the Police, Fire and Trading Standards Officers.

5.7 Ensuring Equalities

There is no impact on equalities.

5.8 Supporting Sustainable development

There is no impact on sustainable growth owing to the nature of the activity.

5.9 IT Issues

There are no IT issues.

6 Conclusions

The Licensing of Metal Dealers and Itinerant Metal dealers is being reviewed. Views as sought. Potential answers to the consultation are shown in **Appendix 2.**

7 Recommendations

It is recommended that the Committee remit to the Director, Corporate Resources in consultation with the Chair, the submission of a response taking into account the draft answers and any comments made by the Members.

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Report Contact

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Background Papers –

SG's Consultation

Appendix 2

Consultation on Licensing of Metal Dealers

1. Do you agree that the exemption warrant system should be removed?

Yes

2. Are the existing record keeping requirements suitable to be rolled out to all metal dealers?

Probably, in the majority of circumstances.

3. For what period should records of a transaction be kept?

A minimum of five years.

4. What methods should be used to establish the identity of the customer?
Should the methods be specified in legislation?

Photo based identity – Passport or Photographic Driving Licence or similar but at least Utility Bill etc. and Yes.

5. Should a record be kept of the means used to establish identity and if so, how long should this be kept for?

Yes and for a minimum of five years.

6. Do you agree that CCTV as a condition should be left as a discretionary matter for local licensing authorities?

Yes.

7. Are there other conditions that should be considered as suitable for mandatory specification?

No, do not believe so.

8. Do you agree that retention of metal requirements should be removed as a mandatory requirement for a licence?

Yes, but subject to possible local licensing authority requirements.

9. Would it be reasonable for itinerant dealers to be required to see identification from those who sell them metal?

Yes.

10. Are further controls required on itinerant dealers' onward disposal of metal that comes into their possession?

No particular comments.

11. Are any special licensing arrangements or mandatory conditions required in respect of metal dealers dealing with scrapping cars?

No particular comments but those dealers who sell second hand car parts will require a second hand dealers licence.

12. Is the requirement to purchase without cash applicable to the right people? Are there other suitable approaches such as a generalised 'whole population' offence?

Yes, all dealers to avoid loopholes.

13. Should payments of a minimal amount still be allowed in cash? If so, what should the maximum cash payment be set at? What additional regulation may be required to avoid loopholes?

No.

14. Would an accreditation system be of value?

**Yes, if not too costly for small dealers.
If authorities operate a 'Trusted Trader' scheme, then dealers might be persuaded join.**

15. Are there other issues that have not been highlighted in this consultation that responders would like to mention?

As mentioned in the consultation document, there is an overlap with the licensing regime operated by Scottish Water. It would be helpful to harmonise the regulatory regimes so there is no room for debate.