

Guidance Notes: Applying for a Scrap Metal Dealers Licence

These notes provide guidance on completing Lambeth Council's application form for a scrap metal dealer's licence, under the Scrap Metal Dealers Act 2013, and on how we will consider and determine applications.

Nothing in these notes constitutes legal advice, which the Council cannot give to applicants or licence-holders. If you are unsure about any aspect of the licensing process, we recommend that you seek appropriate advice from an independent specialist advisor.

What activities are licensable?

You will need to be licensed by the relevant local Council if you wish to carry on business as a scrap metal dealer. This includes:

- A business which consists wholly or partly of buying or selling scrap metal, whether or not the metal is processed in any way in between; or
- A business which carries out motor salvage activities, such as dismantling vehicles for parts to be reused or sold, or buying written-off vehicles for repair and subsequent resale, or trades vehicles for either of these purposes.

The definition of scrap metal includes any old, waste or discarded metal or metallic material; and any products, articles or assemblies which are made from or contain metal, which are broken, worn out, or are regarded as having reached the end of their useful life. However, gold, silver and alloys containing more than 2% by weight of these metals are not included in this Act.

Businesses which engage in scrap metal dealing to a very small degree, as an ancillary part of their overall business, will not typically need to be licensed, unless those activities increase to form a significant degree of the overall business. For example, plumbers who wish to dispose of old pipes which have been removed from a job will not usually need to hold a licence.

Carrying on business as a scrap metal dealer without, or in breach of, a licence is a criminal offence, carrying a maximum fine on conviction equal to level 5 on the standard scale (£5,000).

What licences can be obtained?

There are two types of licence available under this Act, and which one you need will depend on how your business is organised.

Businesses operating fixed sites must obtain a **Site Licence**. This could include a collection yard to which people bring metal to sell, a storage facility where metal which has been received is stored prior to processing or disposal, an industrial unit at which vehicles are dismantled or repaired, or an office from which the business is carried on or where vehicles are kept when not in use. Holders of site licences will usually be entitled to dispatch their vehicles to collect scrap metal from surrounding areas without needing a separate collectors licence. However, if sites are operated in any other council areas, a site licence will be required from each applicable council.

Businesses which do not operate any fixed sites and which collect metal by way of visits from door-to-door will need to apply for a **Collector's Licence**. A licence will be required from each council in whose area it is intended to collect – a Lambeth licence can only authorise collections in Lambeth.

Completing the application form

The following notes relate to our printed application form.

Section 1 – Licence details

Please tick the relevant box to indicate whether you are applying for a Site licence or a Collectors licence. You can only hold one of these licences from Lambeth at any one time.

Please indicate what type of application you are making – e.g. applying for a new licence, renewing an existing licence, or varying an existing licence. If you are applying to renew or vary an existing licence, please give details of that licence in the relevant boxes.

For variations, please tell us when you intend the changes to take effect – if you are opening a new site, for example, this should be the date on which you intend to begin trading from that site.

Section 2 – Business details

If you advertise a trading name for your business, please give this in the relevant box.

Please tick the appropriate boxes for the activities you intend to carry on. This will help us to assess your application in terms of the type of business you intend to run.

Section 3 – Site details (Site licences only)

Please indicate how many sites you intend to operate within Lambeth (sites in other areas do not need to be included here), and complete the table at Annex A of the form with details of all of the sites. If your application is granted, these sites will all be listed on your licence, so it is vital that you are clear and accurate when given us these details.

You are also asked for the manager of each site to be listed in the application. We will expect that this person will be the main point of contact for that site should police or council officers need to inspect the site or the records kept there, and for this reason they should be the person who is in day-to-day control of the site. It is up to you who you specify in this role, but their suitability will be assessed as part of the application, and the entire application may be refused if we cannot be satisfied that they are a suitable person to be in charge of the site. If you are operating multiple sites, we will usually expect a specific site manager for each site, as a single person will not be able to ensure effective control over multiple locations.

You will need to keep your licence up to date by making a variation application if any of the details of your sites or site managers change. In a variation application, please list all of your sites and site managers, and highlight any details which have changed. Your licence may be revoked if you fail to inform us of changes to your sites or site managers.

If you intend to carry out mobile collections from any of the sites you have listed, please provide details of how these collections will be arranged – in particular, where the collections are intended to take place, whether collections will be by way of appointment or by following a set route, and where any collected metal will be returned to.

Section 4 – Collectors details (Collectors licences only)

Please indicate how many vehicles you intend to operate under the licence, if granted. This applies to the maximum number of vehicles you will operate simultaneously – if you only operate a single vehicle which you intend to sell and replace in due course, you will only need to enter '1'. Please also give the address(es) at which vehicles will be kept when not in use.

Section 5 – Other licences, permits and registrations

To make a full assessment of the business you wish to carry on, please tell us about any other scrap metal licences which you hold or have held within the last 3 years, whether these were issued by Lambeth or any other council. This includes any licences which you have held but which you surrendered, or which were revoked by the relevant council.

You may also hold a number of other related environmental permits or registrations as part of your business, including waste carrier licences, waste broker licences, A1 environmental permits, or hazardous waste producer licences. Holding a scrap metal dealer licence does not replace any of these requirements – you must continue to hold and maintain all applicable registrations and permits in addition to your licence. Please give details of any licences you do hold in the relevant spaces. As part of the processing of your application, we will consult with the Environment Agency and other councils who have issued you with licences.

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Section 6 – Purchase arrangements

The questions in this section are designed to provide us with extra information about how you will conduct your business, and we will consider your responses when we determine your application. Before completing them, you should consider your answers carefully, and refer to our guidance notes about the relevant legal requirements.

The first question asks how you will maintain your records. Licensed dealers must maintain full records of every receipt and disposal of scrap metal, and a number of items which must be recorded are set out in the legislation. Records must be kept for at least 3 years, and must be made available for inspection on the request of police or council officers.

The second question relates to verifying the identity of people who wish to supply scrap metal to you. You will be under a legal duty to check and keep copies of official identification from such persons, prior to receiving scrap metal from them. We have provided a separate guidance note on the types of identification that you must check.

The final question relates to your arrangements for security at the site. This question is for you to consider and answer – however, we would expect to see that you have considered ways to prevent scrap metal being removed from your sites or vehicles without your permission, such as alarms or CCTV systems, as well as to ensure that you only dispose of scrap metal to reputable and licensed dealers.

Section 7 – Applicants details

In this section, you need to identify who is making the application. This is important as if the application is granted the licence will be issued in their name(s).

If the business is run by a sole trader, then the application should be made in the name of that individual, whose details should be given in part A. They will need to provide a recent Basic Disclosure certificate with the application.

A basic disclosure certificates show any unspent convictions against the individual. They can be obtained from Disclosure Scotland (who are the Scottish equivalent of the Disclosure and Barring Service (formerly the CRB), who do not currently issue disclosures of this level). It may take several weeks to obtain Basic Disclosure certificates, and each certificate will incur a charge.

If the business is run by a partnership, then the application should be made in the name of each of the partners. Details of the first two partners can be given in parts A and B, if there are more than two partners then details of the other partners should be given on an additional sheet. Each partner will need to provide a recent Basic Disclosure certificate with the application.

If the business is run by a limited company, then the application should be made in the name of that company, and its details should be given in part C. Details of each director of the company must also be provided, using the form at Annex B. Each director will need to provide a recent Basic Disclosure certificate with the application.

Section 8 – Suitability of applicants

The questions in this section must be answered for every individual who falls within one of the categories included at the top of the section. Care must be taken in answering these questions, as if it subsequently emerges that an incorrect answer has been given, you may be prosecuted, and any licences you hold may be revoked.

Any unspent convictions for relevant offences, or relevant enforcement actions taken against any of the individuals identified in the application, must be declared. The following notes give guidance on what these terms mean.



Relevant offences

For the purposes of assessing the suitability of applicants and site managers, the following offences are considered to be relevant offences. Unspent convictions for these offences will be taken into consideration:

- an offence under section 1, 5, or 7 of the Control of Pollution (Amendment) Act 1989
- an offence under section 170 or 170B of the Customs and Excise Management Act 1979, where the specific offence concerned relates to scrap metal
- an offence under section 110 of the Environment Act 1995
- an offence under sections 33, 34 or 34B of the Environmental Protection Act 1990
- an offence under section 9 of the Food and Environment Protection Act 1985
- an offence under section 1 of the Fraud Act 2006, where the specific offence concerned relates to scrap metal, or is an environment-related offence
- an offence under section 146 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012
- an offence under sections 327, 328 or 330 to 332 of the Proceeds of Crime Act 2002
- an offence under the Scrap Metal Dealers Act 1964
- an offence under the Scrap Metal Dealers Act 2013
- an offence under sections 1, 8,9,10, 11, 17, 18, 22 or 25 of the Theft Act 1968, where the specific offence concerned relates to scrap metal, or is an environment-related offence
- an offence under Part 1 of the Vehicles (Crime) Act 2001
- an offence under sections 85, 202, or 206 of the Water Resources Act 1991
- an offence under regulation 38 of the Environmental Permitting (England and Wales) Regulations 2007
- an offence under regulation 38 of the Environmental Permitting (England and Wales) Regulations 2010
- an offence under the Hazardous Waste (England and Wales) Regulations 2005
- an offence under the Hazardous Waste (Wales) Regulations 2005
- an offence under regulation 17(1) of the Landfill (England and Wales) Regulations 2002
- an offence under the Pollution Prevention and Control (England and Wales) Regulations 2000
- an offence under the Producer Responsibility (Packaging Waste) Regulations 2007
- an offence under the Transfrontier Shipment of Waste Regulations 1994
- an offence under the Transfrontier Shipment of Waste Regulations 2007
- an offence under the Waste (Electrical and Electronic Equipment) Regulations 2006
- an offence under regulation 42 of the Waste (England and Wales) Regulations 2011

Any offence of attempting or conspiring to commit one of the above offences; or inciting, aiding, abetting, counselling or procuring the commission of one of the above offences; or encouraging or assisting one of the above offences, is also a relevant offence for the purposes of the Act.

Convictions which are deemed to be 'spent' under the Rehabilitation of Offenders Act 1974 do not need to be disclosed on your application, and will not be taken into account if they are. This Act provides that after a certain amount of time, dependent upon the type and severity of sentence received, convictions will be disregarded as long as there have been no further convictions. We can provide informal advice about whether a conviction is spent or not – alternatively a legal advisor or the Citizens Advice Bureau may also be able to assist.

Relevant enforcement action

For the purposes of assessing the suitability of applicants and site managers, the following actions are considered to be relevant enforcement actions:

- if the person has been charged with one or more relevant offences, and criminal proceedings in respect of that charge have not yet concluded; or
- if an environmental permit held by a person has been revoked in full, or has been partially revoked so as to prevent the recovery of metal.



Section 9 – Bank account details

Please give the details of the bank or building society account from which payments for scrap metal will be made.

The Act requires us to check that you have the means to make payments for scrap metal in accordance with the legal requirements. It is a criminal offence to make such payments in any way except by non-transferrable cheque, or by way of an electronic funds transfer (EFT). In either case, you are required to keep records of the payment that has been made, including a copy of any cheque you write or the receipt (or full details, if no receipt is given) for the funds transfer.

These details will be held securely in accordance with our duty under the Data Protection Act, and will not be used for any other purpose other than verifying the existence of the account.

Section 10 – Application fees

Every application made in respect for a licence must be accompanied by a fee set by the council, set at a level commensurate with our costs in processing the application.

The fees are as follows:

- Application for new Scrap metal licence
 - i. site licence £550.00
 - ii. collectors licence £280.00

- Application to renew scrap metal licence
 - i. Site licence £420.00
 - ii. Collectors licence £200.00

- Application to vary scrap metal licence
 - i. Site licence £150.00
 - ii. Collector's licence £100.00

If you are paying by cheque or postal order, please make this payable to 'Lambeth Borough Council' and enclose it with your application. If you wish to pay by credit or debit card, please tick the appropriate box, and we will contact you by telephone to take payment on receipt of your application. Please note that we cannot accept cash payments.

Section 11 – Declaration and signatures

Please read the declaration paragraphs carefully before signing the form. If you make a false statement within your application, you may be subject to prosecution.

The application form should be signed by all applicants or partners, or by an appropriate officer of the limited company (e.g. company secretary). If more than two people need to sign the form, further copies of this page should be used.

Basic Disclosure certificates

As part of your application, you must provide Basic Disclosure certificates, issued no earlier than 3 months prior to the date of application, for all of the following:

- If applying as an individual, that individual
- If applying as a partnership, every partner
- If applying as a limited company, every director
- All site managers listed in the application (if not already provided above) (site licences only)

If you are varying a licence to add new sites or to change site managers, you will only need to provide certificates for any new site managers – anyone already named on the licence will not need to provide a certificate again.

Basic Disclosure certificates show any unspent convictions against the individual. They can be obtained from Disclosure Scotland (who are the Scottish equivalent of the Disclosure and Barring Service (formerly the CRB), who do not currently issue disclosures of this level). It may take several weeks to obtain Basic Disclosure certificates, and each certificate will incur a charge.

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For further details, or to apply for a Basic Disclosure, please contact Disclosure Scotland:

Web: www.disclosureScotland.co.uk/apply-online/

Phone: **0870 609 6006 Consultation**

When we receive your application, we will consult with a number of bodies, including:

- Lambeth Police Licensing Unit
- The Environment Agency (including a check of their register of any other scrap metal licences you hold or have held)
- Lambeth Environmental Health
- Any other councils who have issued scrap metal licences to you.

We may also take into account any comments received from any other person. This may include the British Transport Police, local residents, councillors, or other persons affected by the proposed business. However, we will not consult directly with these parties.

If we require any further information about any aspect of your application, we will contact you to request this. If you fail to provide this information within a reasonable time, we may refuse your application.

Determining applications

The Act states that, before we issue a licence, we must be satisfied that the applicant is a suitable person to carry on business as a scrap metal dealer. We have to pay particular regard to the following points:

- Whether the applicant or any site manager has been convicted of a relevant offence
- Whether the applicant or any site manager has been the subject of any relevant enforcement action
- Whether any previous applications for scrap metal licences have been refused or revoked, and if so, why (N.B. this applies to licences issued by Lambeth and any other council)
- Whether any previous applications for environmental permits or registrations have been refused, and if so, why
- Whether you have demonstrated that you will have appropriate measures in place to comply with the legal requirements under the Act

In respect of partnerships, we will look at the background of each partner when determining the application. For companies, we may look at any company directors, the company secretary, and any 'shadow directors' – any person who is not formally named as a director but who exerts a significant amount of control over a company.

Where issues arise which call into question the suitability of the applicant or a site manager, we will not automatically refuse an application, but rather we will give you an opportunity to make representations, which will be considered fully before a final decision is made. In the first instance, we will write to you, setting out the issues that concern us. You will have a choice of making written representations or of appearing before a senior council officer to make oral representations.

After we have considered your representations, we will make a final decision in respect of your application. If we grant your application, you will receive your licence in the days following the decision. If we refuse your application, we will give you formal written notice of this, and you will have the opportunity to appeal our decision to a magistrates' court.

Maintenance of licences

Once issued, licences are valid for 3 years, and you must make an application towards the end of this period to renew your licence if you wish to continue trading.

Site licences must be displayed at every site operated under the licence. We also recommend that a copy of the licence is kept in every vehicle which operates from a site, in case it is stopped by the police.

Collector's licences must be displayed in vehicles used by the collector in the course of their business.

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