

Report subject	<b>Scrap metal licensing fee increase</b>
Meeting date	2 April 2025
Status	Public Report
Executive summary	<p>On 13 March 2025, BCP Licensing Committee considered and approved changes to licensing fees that are not statutorily set, including those applicable to Scrap Metal Licences. Relevant fees were considered on a full cost recovery basis, increasing to reflect rises to national insurance, annual local government pay award and consumer price index.</p> <p>The Scrap Metal Dealers Act 2013 allows the local authority to set fees to administer and issue site licences and collectors licences provided for under the legislation. Fees should be set on a cost recovery basis, in line with the statutory guidance and giving due regard to relevant case law.</p> <p>The setting of fees in relation to the Scrap Metal Dealers Act 2013 is held as an executive function and therefore must be approved by BCP Cabinet.</p> <p>Licensing Committee have considered the fees pertaining to licences issued under the Scrap Metal Dealers Act 2013 and have recommended that Cabinet approve these fees..</p>
Recommendations	<p><b>It is RECOMMENDED that Cabinet:</b></p> <p><b>i) Approve the fees for scrap metal licensing as recommended by the Licensing Committee</b></p>
Reason for recommendations	Fees are set in line with a cost recovery basis, ensuring the fees are reflective of the actual cost of administration and compliance. Fees are increasing in line with national insurance and annual local government pay award.
Portfolio Holder(s):	Councillor Kieron Wilson - Portfolio Holder for Housing and Regulatory Services
Corporate Director	Jillian Kay- Corporate Director for Wellbeing

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Wards	Council-wide
Classification	For Recommendation

## Background

1. The Scrap Metal Dealers Act 2013 requires any person carrying on business as a scrap metal dealer to be authorised by a scrap metal licence. A site licence authorises the licensee to carry on business at any site in the Local Authority area and a collector's licence authorises the licensee to carry on business as a mobile collector in the Local Authority area. The legislation provides local authorities with the ability to regulate scrap metal industries by providing a power to grant, refuse and revoke licences as appropriate and in accordance with the legislation. The legislation allows a Local Authority to set an application fee. Statutory guidance details the fee must be determined by the local authority based on the actual cost.
2. The guidance advises "the costs of a licence 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, as well as the cost of issuing licences in a format that can be displayed. Consulting the local authority's enforcement records to determine the suitability of the applicant is chargeable within the licence fee costs, as are costs associated with contested licence applications."
3. There are two types of licence issued, that last for 3 years unless revoked or surrendered:
  - 3.1 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.
  - 3.2 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.
4. There are currently 14 site licences and 14 collector's licences issued by BCP Council.
5. The fees set by the authority to administer and issue licences under the Scrap Metal Dealers Act 2013 are held as an executive function, as defined within the legislation and Council's constitution, and therefore must be approved by BCP Cabinet before being implemented.
6. On 13 March 2025, BCP Licensing Committee considered the report in Appendix A, which outlined all locally set fee changes for 2025-2026. Fees are set in line with the legislation, relevant statutory guidance and case law principles as detailed within the report.
7. An increase of 5% has been applied to licences issued under the Scrap Metal Dealers Act 2013, which reflects increases to national insurance rates and increases to staff costs due to the annual pay award.

8. BCP Licensing Committee approved the report and made a recommendation to Cabinet to approve the fees for licences issued under the Scrap Metal Dealers Act 2013.
9. Cabinet, as the executive function, must make the decision on the fee increase.

### **Summary of financial implications**

10. Fees are set in line with an assessment of the functions undertaken by the authority to administer and comply licences. Fees have been approved by finance within the initial licensing report.

### **Summary of legal implications**

11. Failure to comply with the statutory guidance and case law around fee setting could leave the Council open to judicial review. The fees have been reviewed by legal services in the creation of the initial report. Fees are on a cost recovery basis.

### **Summary of human resources implications**

12. There are no human resources implications.

### **Summary of environmental impact**

13. The licensing of Scrap Metal sites and collectors ensures regulations are adhered to and that businesses operate in a safe and environmentally suitable manner.

### **Summary of public health implications**

14. There are no public health implications in relation to the setting of licence fees.

### **Summary of equality implications**

15. A equalities impact assessment screening tool has been undertaken, within Appendix A.
16. The local authority is legally required to ensure fees are set on a cost recovery basis.
17. There is no mitigation to any negative impact on all fee setting, as it is a legal requirement.

### **Summary of risk assessment**

18. A risk assessment has been undertaken. If fees are not calculated appropriately the service will not recover sufficient income to cover costs.
19. Risk is mitigated by the setting of fees as recommended within this report.

### **Appendices**

Appendix A- Licensing Committee Report “Licensing Fees and Charges for 2025-2026”

### **Background Reading**

[\(Public Pack\)Agenda Document for Licensing Committee, 13/03/2025 10:00](#)

[Scrap Metal Dealer Act 2013: licence fee charges - GOV.UK](#)