

## **Metal Theft Update**

### **Purpose of report**

For information.

### **Summary**

At its last meeting the Board received an update on the work the LGA had been undertaking on tackling metal theft. This report provides a further update on the LGA's work since mid-January.

### **Recommendation**

Members are asked to note the report.

### **Action**

Officers to progress as appropriate.

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## **Metal Theft Update**

### **Background**

1. Following the remitting of the motion from Centro, the West Midlands Integrated Transport Authority about metal theft from the LGA General Assembly to the Board last year, the Board has been pressing for greater powers for councils to regulate scrap metal dealers to help combat metal theft. The Board has also been looking to promote the importance of tackling the issue among local authorities and identifying good practice in this area by councils.

### **Government measures to tackle metal theft**

2. The LGA has been pressing for the replacement of the Scrap Metal Dealers Act 1964 and its replacement by a proper licensing regime for scrap metal dealers, with a package of measures being implemented to discourage the purchase of stolen metal. Two of these measures are a move to cashless transactions at scrap metal dealers and increasing the penalties for breaches of the regulatory regime that applies to scrap metal dealers.
3. On 26 January a written ministerial statement was issued by the Home Secretary around scrap metal dealers. This stated that the government would be looking to lay amendments to the Legal Aid, Sentencing and Punishment of Offenders Bill (which has nearly completed its passage through the House of Lords) to create a new criminal offence to prohibit cash payments to purchase scrap metal, and significantly increase the fines for all offences under the Scrap Metal Dealers Act.
4. The LGA is supportive of these changes, but is not convinced they will be enough on their own to reduce metal theft. The move to cashless transactions will probably have an impact on lower-end community based metal theft, but is unlikely to deter more organised thieves, and of course cashless transactions can be done on a relatively anonymous basis, which may mean that after the initial reduction the benefit starts to wear off. The requirement for cashless transactions needs to be coupled with stronger requirements on dealers to take formal identification from people they buy metal from, including installing CCTV cameras with automatic number plate recognition technology at the entrance to the yard.
5. The move to cashless transactions may also drive people towards unregistered dealers. Increasing the penalties under the Act for not being registered will

assist, but unless there is a significant increase in powers to close illegal dealers down, the measures may just fuel the illegal side of the business at the expense of legitimate traders. In the LGA's view cashless transactions should be combined with a new robust licensing regime based on that used for alcohol licensing and run by councils. This would allow for additional controls to be imposed on dealers such as tougher provisions on requesting identification. If licences were renewable annually they could be reviewed and potentially revoked where there were concerns about the way a dealer was operating.

### **Local authority initiatives to tackle metal theft**

6. Metal theft in Central Bedfordshire has become such an issue that the council Executive resolved in January to explore how it could introduce a local licensing regime. Officers met with Cllrs Richard Stay and Budge Wells in mid-January to discuss the Central Bedfordshire initiative and how it could be facilitated. This has included looking at the provisions in the Localism Act to see if they could be used to introduce local bye-laws governing scrap metal dealers. Unfortunately the Act in this instance would not allow councils to introduce their own local licensing regime. We have therefore explored with Central Bedfordshire what else could be done, and ensuring that any scheme complemented whatever the Home Office might introduce.

### **Meeting with Lord Henley**

7. Following a letter sent by the Chair of the Board and Cllr David Parsons, the Chair of the LGA's Environment and Housing Board about the need to reform the Scrap Metal Dealers Act a meeting with Lord Henley was held in early February. In the meeting Cllrs Khan and Parsons highlighted the need for further measures to strengthen the regulation of scrap metal dealers. They highlighted the possibility of providing councils with the ability to make bye-laws on this issue, and Cllrs Stay and Wells then outlined what Central Bedfordshire was hoping to achieve.
8. There was then a discussion with the minister about the possibility of amending one of the government's bills to allow councils to legislate locally. The minister was unable to commit, but undertook to explore whether there were any suitable bills in the government's legislative programme which could be used to make an amendment to the Scrap Metal Dealers Act. Having liaised with the Home Office it has not been possible to identify a bill that would allow an amendment and has enough time left in its passage through parliament to allow substantive amendments. We will therefore look to find a suitable vehicle to allow councils to pass their own local provisions in the next session of parliament, although there is a strong possibility that the Home Office will be amending the Scrap Metal Dealers Act themselves.

### **Tackling metal theft under existing legislation**

9. Councils are of course able to use the existing provisions in the Scrap Metal Dealers Act to work with their local dealers to help address metal theft. Using the good practice established by the Forest of Dean District Council and Gloucestershire Police we have drafted a toolkit for councils for working with scrap metal dealers (which is similar to the approach being currently taken in the north-east in Operation Tornado). The toolkit will be formally launched shortly. This includes a model code of conduct to be agreed locally with scrap metal dealers. At the same time we have established a community of practice on the LGA's new Knowledge Hub to enable practitioners to exchange ideas, information and experience on tackling metal theft and we will also be using this as a means of encouraging councils to take more action.
10. Due to the number of potential changes in the legislation surrounding scrap metal theft we postponed our conference on metal theft, and are now looking to hold it in late May or early June, which will be an opportunity to discuss in more detail what the move to a cashless system will mean, and what the increased penalties are for offences under the Act. We will also use it to highlight existing good practice in working with scrap metal dealers to improve standards at their yards.

### **Conclusion and next steps**

11. The LGA will continue to progress the programme agreed between the two LGA boards, which was outlined at the last board meeting. We will also continue to press for legislative changes to the Scrap Metal Dealers Act or for the ability for councils to make their own local licensing arrangements.

### **Financial Implications**

12. The LGA's work on metal theft will be met from existing resources.