
Meeting: Executive
Date: 10 January 2012
Subject: Metal Theft Prevention
Report of: Cllr Budge Wells, Deputy Executive Member for Sustainable Communities

Summary: The report draws to Members' attention the Private Members Bill coming before Parliament in January 2012 and seeks Member support for changes in legislation relating to Scrap Metal Dealers registration.

Advising Officer: Gary Alderson, Director of Sustainable Communities
Contact Officer: Susan Childerhouse, Head of Public Protection
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision No
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

- Creating safer communities

Financial:

1. There are no financial implications arising directly from this report. The current Registration Scheme is already covered in Public Protection budgets. There is no charge for inclusion on the Council's register of scrap metal dealers. Should the proposed new national licensing scheme be enacted costs would be recovered by a licence fee.

Legal:

2. There are no legal implications for the authority should they choose to support this Bill.

Risk Management:

3. Enforcement of any new Licensing Regime would be on a risk assessment basis.

Staffing (including Trades Unions):

4. Not Applicable.

Equalities/Human Rights:

5. An Equalities Impact Assessment will be undertaken by the relevant government department should the Bill receive royal assent.

Community Safety:

6. In Central Bedfordshire there are recorded incidents of metal theft, although there is no intelligence to suggest that the local scrap metal dealers are operating in anything but a reputable way.

Sustainability:

7. Metal recycling is a valuable industry. It is a sustainable means of reusing an important and increasingly expensive commodity.

Procurement:

8. Not applicable.

Overview and Scrutiny:

9. This matter has not been considered by Overview and Scrutiny.

RECOMMENDATIONS:

The Executive is asked to:

1. **note and support the contents of the Private Members Metal Theft (Prevention) Bill introduced by Graham Jones MP;**
2. **request that the Leader of Central Bedfordshire Council contacts local MP's and ask that they support this bill at it's second reading in the House of Commons on 20 January 2012; and**
3. **that if a national action is not forthcoming on this issue Central Bedfordshire Council should explore the introduction of a local licensing scheme with as many neighbouring authorities as are willing.**

Reason for Recommendations: So that a licensing scheme for scrap metal dealers can be introduced to help reduce the increase in metal thefts being undertaken by giving public bodies increased powers to take action against scrap metal dealers handling any stolen metal.

Executive Summary

10. This report sets out the current position with regard to metal theft and regulation of scrap metal dealers. Due to the increase in this type of theft and the cost to communities and the economy new legislation is being brought before parliament via a Private Members Bill. Members are being asked to support this legislation by requesting MP's representing Central Bedfordshire to support the Bill during its second reading on the 20 January 2012

Background

11. According to the Energy Networks Association, metal theft from electricity networks rose by some 700% between June 2009 and June 2011. Organised crime has been involved in scaling the tallest electricity pylons and cutting down heavy tensile cable from the top of 275,000 V towers.
12. Scrap metal is a £5 billion industry, with £1 billion estimated to be exchanged in cash payments
13. The Association of Chief Police Officers has conservatively put the national cost of metal theft at £770 million. Figures from the British Transport police show that theft of overhead power cables has risen by 70% over the last year, with 2,712 cable-theft-related crimes registered in 2010-11. There are eight thefts or attempted thefts of railway cable every day, which has so far caused 240,000 minutes of delays to rail passengers this year and cost Network Rail £43 million over the last two years
14. Metal recycling is a valuable industry. It is a sustainable means of reusing an important and increasingly expensive commodity. However, the soft regulatory framework undermines that logic by encouraging thieves to take materials that are still in use. The problem lies precisely in the fact that it is stolen metal that is being recycled
15. Scrap metal dealers are currently required to register with local authorities, there are 11 registered in Central Bedfordshire. The registration process does not provide the local authority with any powers of enforcement. Dealers are required to keep a book showing details of their purchases and disposals. The police have powers to enter and inspect the scrap metal being stored and the book the dealer is required to keep. Fines for failing to register, failing to produce documents etc. range from Level 1 £200 on the standard scale to level 3 £1,000. Bedfordshire police have recently tasked their crime reduction officers to visit local scrap metal dealers in a bid to counter the surge of metal thefts. This will be supported by Local Policing officers and will form part of a regular inspection programme. Central Bedfordshire's Environmental Protection team can and do undertake checks of waste carrier licences and have powers to take enforcement action if appropriate. The team work with Bedfordshire police on specific operations relating to metal dealers when requested to do so.
16. Defra in its review of waste policy, published in June 2011 said that it would 'work with police, the Home Office and the Environment Agencies, to help deliver a more strategic national intelligence – led approach to tackling metal theft, targeting illegal traders whilst ensuring that law abiding businesses can trade in safety. 'Defra's stated approach is being backed by the British Metals Recycling Association (BMRA) which is the trade association representing some 300 businesses who between them handle 95% of the metal recycled in the UK.

Proposed Changes

17. Graham Jones MP introduced a private members bill; Metal Theft (Prevention) to the House of Commons on the 15 November 2011 it is due to have its second reading on the 20 January 2012.
18. The Bill sets out a change to the current legislation relating to Scrap Metal Dealerships.
19. It is proposed that the Scrap Metal Dealers Act 1964 be amended so that the current registration regime can be replaced by a robust licensing regime that is funded by a licence fee paid by scrap metal dealers. Property obtained through theft should be regarded as criminal assets. Classifying stolen metal as criminal assets would allow the Proceeds of Crime Act 2002 to apply.
20. Police authorities should be given the power to search and investigate all premises owned and operated by scrap metal dealers suspected of dealing in stolen property, as well as the power to close scrap metal dealers where criminally obtained metals are discovered. Trade in scrap metals must be restricted to cashless payments, with a concurrent requirement that scrap metal not be sold or processed until payments have cleared. Dealers should operate CCTV and require photo identification of sellers. Those measures would remove the anonymity of the seller and require honesty of the dealer. Magistrates should be given the power to add restrictions to licences to deal in scrap metal, should they feel it necessary. The Theft Act 1968 should be amended so that sentencing is proportionate to the consequences of the crime, not the value of the metal stolen. The tariff should also reflect the fact that the theft of scrap metal worth £20 may cause £500,000 of damage or risk lives.
21. The intention of the legislation is to reduce the costs to businesses and the public purse incurred through damage to the nation's infrastructure. In addition it is anticipated that regulation would allow legitimate, law-abiding and socially responsible scrap metal dealers to flourish. A few scrap metal dealers already perform much of the requirements of the Bill in best practice.

Alternative Approaches

22. Should the Private Members Bill, through Central Government action, not be forthcoming there may be measures which the Council could take forward to introduce a local licensing scheme. Clearly, to be effective such a scheme needs to apply to a surrounding geographical area. Therefore, in pursuing such a local solution we would seek cooperation on a widespread geographical area from as many authorities as possible.

Background Papers: (open to public inspection)

Metal Theft (Prevention) Bill.

Defra Waste Policy Review June 2011

Energy Networks Association - Annual Safer Communities Conference 8 November 2011 Metal theft the impact and possible solution.