

What activities need licensing under the Scrap Metal Dealers Act 2013?

A **dealer** is defined as someone carrying on a business which consists wholly or in part of buying or selling scrap metal, whether or not the metal is sold in the form in which it is bought. However a manufacturing business that sells scrap metal created only as a by-product of the processes it uses, or because it has a surplus of materials, is not caught. The definition of scrap metal dealer is deliberately quite widely drawn, and there are no further details provided in the Act or the explanatory notes about who potentially might have to apply for a licence.

It will vary according to individual circumstances, but generally where the sale of the metal is incidental to the main type of work or business undertaken then a licence will not be needed. In the case of most tradesmen such as plumbers and electricians and some skip hire firms the sale of scrap metal is not an integral part of their business and they will not require to be licensed as a scrap metal dealer. Where though there is a reasonable expectation, for example, that the material deposited in the skip will contain significant amounts of scrap metal, such as skips used where there is demolition activity or ones sited at engineering manufacturing establishments and plumbers' yards, then the skip hire company will generally require a scrap metal dealers licence.

The Home Office's and LGA's view is that household waste collections by councils or their contractors that pick up metal items thrown out by households and which are to be recycled, along with municipal waste/civic amenity sites ('council tips') are not caught by these provisions.

Dealers under the legislation are further divided into two categories based on the two different types of licence: those operating from **fixed sites**; and those who are **mobile collectors**.

A **collector** is defined as a person who carries on business as a scrap metal dealer otherwise than at a site, and regularly engages in the course of that business in collecting waste materials and old, broken, worn out or defaced articles by means of door to door visits.

A **site** is defined as 'any premises used in the course of carrying on business as a scrap metal dealer (whether or not metal is kept there)'. Due to the wording of the definition this means that someone who trades in scrap metal and is thus defined as a dealer under s21(2) will need a site licence for their office even if they do not operate a scrap metal store or yard.

A dealer also includes someone carrying on business as a **motor salvage operator**.

This is defined as a business that:

- wholly or in part recovers salvageable parts from motor vehicles for reuse or re-sale, and then sells the rest of the vehicle for scrap
- wholly or mainly involves buying written-off vehicles and then repairing and selling them off
- wholly or mainly buys or sells motor vehicles for the purpose of salvaging parts from them or repairing them and selling them off.

Scrap metal itself includes any old, waste or discarded metal or metallic material, and any product, article or assembly which is made from or contains metal and is broken, worn out or regarded by its last holder as having reached the end of its useful life. This definition is not intended to include second hand goods, but these could be caught by the definition if they are made from or contain metal that is broken or worn out. It will be a question in each case as to whether items fall within the definition. The definition does however include platinum and a range of other rare metals now being used in catalytic converters although gold or silver are not included in the definition of scrap metal.

Jewellers or businesses trading in second hand gold and silver jewellery or products are not therefore caught by this definition.

The boundary of what is scrap metal and what is a second hand goods containing metal will probably be something that is explored further as the legislation is implemented.

Second-hand or scrap motor salvage considerations will need to be looked at each on merit.