Thank you for responding to the Local Government and Regeneration Committee's Call for Evidence on the Air Weapons and Licensing (Scotland) Bill. All submissions will be examined and considered as part of the Committee’s scrutiny of the Bill.

Please be aware that questions marked with an asterisk (*) require an answer before you can submit the form.

Follow the Local Government and Regeneration Committee’s Twitter feed - all Committee tweets on this Bill will have the hashtag #awliibill.

1. Please supply your name and contact details:

Name: Charles Ambrose
Organisation: Motor Vehicle Dismantlers Association
Address 1:
Address 2:
City/Town:
Postcode:
Country:
Email address (if no email leave blank):
Phone Number:
2. Please confirm that you have read and understood the Scottish Parliaments “Policy on the treatment of written evidence by subject and mandatory committees”:

Yes

3. Please confirm whether you are content for your name to be published with your submission:

Yes

4. Which of the three categories below best describes your interest in the Bill (please tick only one)?

Professional

5. Do you wish your email to be added to the Committee’s distribution list for updates on progress of the Bill:

Yes

6. Invitations to give oral evidence to the Committee on the Bill will be based on the submissions received. If you wish your submission to be included amongst those considered for possible invitation to give oral evidence, please indicate here.

No

7. You may answer questions on the entire Bill, or on any part of the Bill. Please indicate which parts of the Bill you are responding to? (You may select as many options that apply).
Civic licensing – scrap metal dealers

Name/Organisation: Charles Ambrose, Motor Vehicle Dismantlers’ Association

6. Scrap Metal Dealer Licensing

You may respond to all questions or only those you have a specific interest in. (Text boxes have no word limit, they will increase in size accordingly).

40. Taking the proposals in sections 63 to 66 of the Bill together, how will they have the desired effect of strengthening the metal dealers’ licensing regime to the extent that metal theft and related criminal activity is reduced?

We believe the proposals, as far as they go, will help strengthen the Metal Dealer licensing regime in Scotland. Amongst other things, they will do this by making the relevant businesses more visible, making it easier to distinguish legal operators from illegal, their transactions more transparent and establishing a basis for audit. It will also make it easier to identify who is supplying/receiving materials. However, legislation on its own is not sufficient to drive compliance, and it is absolutely essential that a robust compliance/enforcement programme is implemented.

41. In your view, could the Bill be further strengthened in any way, for example, by including an accreditation scheme for metal dealers?
We believe the most effective way to ensure that the legislation regulating Metal Dealers in Scotland results in a reduction in illegal activities is to:

1. Ensure that it applies equally to all relevant parties and activities, irrespective of size/scale. The definition of a metal dealer needs to include, like the SMDA13, vehicle dismantlers and motor salvage operators. Furthermore, it should apply to all persons carrying out such a trade, irrespective of the scale of operation – it is naive to think that those operating ‘above or below the radar’ have no significant involvement in metal theft. Similarly, the definition of scrap metal must include ‘end of life vehicles’ (ELVs, scrap cars).

2. Focus particular on itinerant collectors and those receiving metal from them. And, like SMDA13, on those businesses most likely to handle ELVs (salvage operators, bodyshops, garages etc.)

3. Ensure legislation can be fully and properly implemented in an achievable timescale. At the time of writing, 12 months after the introduction of legislation in England & Wales, it would appear that SMDA13 licenses have still not been issued by a large number of English & Welsh local authorities.

4. Integrates (as best as possible) ‘seamlessly’ with the existing English & Welsh systems so as to provide a level playing field for all operators in the UK as a whole, avoiding localised market distortions (both within Scotland and the UK as a whole). We understand that ‘metal crime’ very quickly started migrating ‘north of the border’ as a result of the difficulties in obtaining ‘cash’ in England following implementation of SMDA13.

5. Forms the basis upon which the industry can be regulated in practice, by (for example) ensuring that license fees properly reflect the ‘depth’ of required compliance audits. Since October 2013 we have seen a 10-fold range of local authority fees, without any justification for such a variance. It would appear, at one extreme, a local authority levying a 3-year fee of £150, has undertaken no significant background checks on applicants and/ or is not undertaking the necessary compliance checks; and at the other extreme a local authority levying a 3-year fee of £1500+ (single site) maybe using this as a means of raising revenue.

6. Ensuring that the responsibilities of the Police, local authorities and SEPA are clearly defined, and that all parties have an understanding of the industry they are regulating (which was not the case in England).
7. Co-ordinates with the activities of other Government bodies operating in this area, particularly the Police & SEPA, ensuring that licenses are only issued to appropriate (‘suitable/ fit & proper’) applicants in the first place, and that ‘intelligence’ is shared between Government bodies/ departments in order to identify non-compliance & eliminate illegality. Handling ‘scrap metal’ is a waste operation and requires from the EA/ NRW/ SEPA an Environmental Permit or Exemption (if site based), and/ or a Waste Carriers Licence. Licenses should not be issued to site-based operators in the absence of these.

8. Make publicly available on-line a register of SMD registrations that can be of practical use by the public and industry alike in identifying legal & illegal operators. The SMDA13 public register is maintained by the Environment Agency, based on information provided by local authorities. Data suggests that in September 2014 many local authorities were not represented on the public register, meaning that 1 year after SMDA13 became law, the public were still largely unable to distinguish legal & illegal operators. This public register should also allow scrap metal yards to be distinguished from vehicle dismantlers, salvage operators etc.

42. Removal of exemption warrant - do you wish to comment on the proposal to remove the exemption warrant system?

Removal of the Exemption Warrant is essential for the correct operation of this legislation. Experience suggests that the ‘size’ of a ‘scrap metal’ business cannot be used as a measure to judge compliance – it is not unknown for the commercial ‘performance’ pressures exerted on local depots of national companies to lead to the temptation to ‘cut corners’.

43. Removal of requirement to retain metal on-site - what impact will the proposal to remove the retention of metal requirement have on the enforcement of the licensing regime and prevention of criminal activities?

This requirement does not exist in England & Wales. We have no practical experience of this issue upon which to make a judgment, but it can easily be envisaged that this might cause significant practical problems for operators. However, in terms of compliance, we would ask whether this is judged, by the ‘Scottish Authorities’ to have been of significant use to date in combating ‘metal crime’?
We support the cashless payment proposals. There must be no exceptions to this. Cashless payment systems became established very quickly in England & Wales following the introduction of SMDA13. In this respect, the vehicle dismantling & salvage industry was probably well ahead of the scrap metal industry, in that cheque & BACS payments for vehicle purchases were already established & had been widely used for many years. The scrap metal industry also widely used cheque & BACS payment methods for account customers. Our view is that cash payments at scrap yards should be regarded with suspicion.

It may also be worth pointing out that some companies sought to reduce the impact of cashless trading upon sellers of scrap metal by introducing cheque-cashing facilities on site.

The ban on cash payments for scrap cars introduced as a result of SMDA13 has resulted in a shift in emphasis by unscrupulous (particularly itinerant) operators (of which there remain many) to cash payments for ‘used vehicles’ (which are then delivered to scrap yards).

Many vehicle dismantlers and salvage agents that sell spare parts and vehicles from their site quite legitimately receive payment from customers in cash (as well, of course, as credit/debit card & cheque). As such, the presence of ‘cash’ on site is not necessarily indicative of criminal activities. However, all payments should be both receipted and accounted for.

Currently in the UK about 1.2 million Certificates or Notifications of Destruction are issued annually. But analyses of data on ‘active vehicles’ for the last 10-15 years suggests that 600,000-800,000 vehicles go missing every year. These vehicles are dismantled legally in the UK or, increasingly, exported overseas. In recent years there has been a dramatic increase in these activities, facilitated both by the ease with which large quantities of vehicles can be obtained and of transporting vehicles/vehicle parts overseas, but also the ability to sell vehicle parts anonymously on public auction sites (such as eBay, Gumtree etc.) and the very low risk of being ‘apprehended’. These operations are based on cash.
45. Forms of identification and record keeping:

In line with the Scrap Metal Dealers Act 2013, the Bill adds additional record keeping requirements to a metal dealer’s licence including recording the means by which a seller’s name and address was verified and retaining a copy of the document, and the method of payment and a copy of the payment document. The Bill will also require a metal dealer to record information in books with serially numbered pages or by means of an electronic device, and to keep separate records at each place of business. Such information and documents are to be kept for three rather than the current two years.

How important is it that the record keeping requirements reflect those in the Scrap Metal Dealers Act 2013, and do you agree with the Scottish Government that the proposed record keeping requirements are not unduly burdensome?

As previously stated, we believe that Scottish Scrap Metal Dealer legislation should reflect that of SMDA13 as closely as possible, so as to avoid distortion in the market place. But we also fundamentally agree that there should be an absolute requirement to keep proper records – including details of what was purchased from whom and when. Under the Motor Salvage Operator Registration scheme which was introduced in England in 2003, MSOs were already required to keep the records detailed in SMDA13. Therefore this posed no particular problem for these businesses. In relation to vehicles, there is already a long-established document that accompanies each vehicle transaction – the V5C registration document. But SMDA13 made no mention of this important document.
46. Mandatory and discretionary licensing requirements:

The Scottish Ministers can impose mandatory licensing requirements, such as those included in the Bill relating to record keeping and the identification of customers. In addition, local authorities can also attach discretionary requirements to licences in their areas.

Does the Bill get the balance right between mandatory and discretionary licensing requirements? Should the Bill include other mandatory conditions for obtaining a metal dealer's licence, such as installing CCTV at metal dealers' premises or in relation to labelling of metal and 'forensic coding'?

Some of our previous comments/observations apply to this question. We do not believe that there is a need for accreditation or installation of specific equipment such as CCTV. This potentially just adds cost to those naturally inclined to comply, and in the absence of rigorous enforcement serves further to undermine legitimate business.

We have also made previous comment about the huge variations in performance of & fee levied by individual local government authorities. This also applies to ‘interpretation’ of requirements by local authorities.

Anything that contributes towards ‘smoothing out’ local anomalies should be encouraged.
Consultation on the
Air Weapons & Licensing (Scotland) Bill
Scrap Metal Dealers
Submission from the
Motor Vehicle Dismantlers’ Association

These comments are provided by the Motor Vehicle Dismantler’s Association of Great Britain (MVDA), the Trade Association for professional UK vehicle recyclers (dismantlers and salvage agents).

The MVDA was formed in 1943 and represents the interests of approximately 200 UK vehicle recyclers and associated companies. MVDA members are typically small and medium sized enterprises (SMEs), usually family owned businesses. Our role is to provide help and guidance to members, and to represent their interests to Government, industry and consumers.

The MVDA fully supports initiatives that seek to detect and deter vehicle crime, and to protect the public from unfair, dangerous and illegal practices.

We are grateful for this opportunity to comment on legislation relating to Scrap Metal Dealers contained in the Air Weapons & Licensing (Scotland) Bill.