

Metal Theft Toolkit



Let's prove our mettle

This toolkit contains:

- Information on current powers
- Proposals for future regulation
- Examples of work across the country
- Templates for adaptation by your local authority

Foreword

Metal theft has increased dramatically over the last couple of years, and is now having a significant impact on communities. Disruptions to rail services, loss of power to homes, interruptions to telecommunications, theft of lead from the roofs of churches, schools and houses, the theft of bus shelters, lightning conductors, street signs, gully and manhole covers, and war and grave memorials have serious implications for communities.

We have all suffered from the disruptions caused by metal theft. War memorials, hospital generators, manhole covers – nothing is safe. It is only a matter of time before someone is seriously injured by these thoughtless crimes. Indeed, several of the criminals have themselves been electrocuted while in pursuit of valuable materials from sub-stations and railway cables.

Local areas have already been taking action to reduce metal theft in conjunction with police, the British Metals Recycling Association (BMRA), and their own local scrap dealers. We have, as always, seen councils setting the standard in responding to the issues at hand. My own council, Kirklees, has been working on a code of conduct for local metal dealers, while the Forest of Dean has been instrumental in an innovative, resource-efficient protocol for use by council and Police partnerships. However, despite the ingenuity of members and officers, there is a limited amount that can be done at the moment.

There is growing pressure in parliament for more action to be taken to deter metal theft including tougher sentences for those caught stealing metal, stricter regulation of scrap metal dealers, and in the longer term the use of different materials to reduce the incidents of thefts. There have been cross-government discussions on what legislative and policy changes are needed, and what further initiatives can be taken at a local level to tackle metal theft.

Any central legislation will take time, however, and I am delighted to introduce, on behalf of the Local Government Association, this short guide to provide member councils with advice on their current powers, a chance to influence the development of the proposed legislation, and templates of effective practice that can be adapted for use in their own localities.

Councillor Mehboob Khan



Chair of LGA Safer and Stronger Communities Board
Leader, Kirklees Council

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1. Background

Demand for metals has never been stronger and the metal recycling industry is booming, with a total worth of £5 billion in 2011. This is great news in terms of providing jobs and reducing the UK's environmental footprint, but the poor regulation of the industry and legislation dating back to 1964 means it is ill-adapted to cope with the rise in illegal sales.

In 2011, 15,000 tonnes of metal were stolen last year, of which 7,500 tonnes of it came from railways, statues and church roofs. The value of the thefts to the railways alone amounted to £13 million¹, with many more millions lost as a result of delays to passengers. Overall, the Association of Chief Police Officers (ACPO) estimates that metal theft costs the UK economy £770 million every year, while others put the cost at £1 billion or higher.

There are many reputable dealers and a number are already working to address concerns about the anonymity and informality of the trade. Entering the scrap metal business several years ago SITA UK, one of the better known recycling companies, found that the sector operated poor procedures for tracking the legitimacy of sellers and of cash payments, resulting in a near-total inability to trace the origin of the metals sold.

“Metal theft is a serious issue throughout the UK and we fully support proposals to update the Scrap Metal Dealers Act. In addition, we believe that the use of a cashless system, coupled with compulsory use of photo ID for all transactions, will help to address the trading of stolen metals and issues such as tax evasion.”

“We urge major players in the metals recycling industry to adopt similar cashless systems as a compulsory measure so we can help Government to combat metal theft.”

David Palmer-Jones, Chief Executive Officer at SITA UK

SITA UK is now the first company in the industry to ensure fast and secure same-day bank transfers to encourage fewer payments in cash. This initiative could also be adopted by others in the industry to help reduce sales of stolen metal and metal thefts across the country.

However, cash payments remain the industry norm and both councils and police officers alike have limited powers to tackle legal scrap yards, let alone those that are operating outside the law in temporary, unregistered locations.

Legislation to correct these limitations is still a way off, but schemes like Operation Tornado, developed by the British Transport Police with metal recyclers in the North East of England, show that progress can still be achieved through voluntary measures. Similarly, the Forest of Dean Council has shown that by using the scrap yards as the critical control point, voluntary agreements can be used to supplement existing enforcement powers.

¹ British Transport Police, 2011

2. Existing Powers

Legislation

The key piece of legislation in this area is the 1964 Scrap Metal Dealers Act. This requires councils to:

- Maintain a register of persons trading in their area as scrap metal dealers

Failure for the metal dealer to inform the council of their operations attracts a fine of up to £1,000. Registration takes place every three years.

In turn, dealers are required to:

- Inform the local council of their operation
- Maintain a book with details of metal received, processed or despatched
- Record the description and weight of the metal
- Record the name and address of the person providing the metal
- Record the registration of the delivery vehicle

Failure to do this also attracts a fine of up to £1,000.

If a dealer is convicted of failing to comply with either section above, then they may have restrictions imposed on their trading ability. These are specified in the legislation and limit the hours during which they can receive metal, and require that all metal is held for a minimum of seventy two hours.

In addition, any person who, on selling scrap metal to a scrap metal dealer, gives the dealer a false name or false address can be fined, after conviction, up to £200.

Scrapyards also have to obtain an environmental permit from the Environment Agency, unless they receive a written exemption. Exemptions are typically only granted to small firms. The purpose of these permits is to prevent pollution, rather than to prevent crime or ensuring minimum operating standards across the wider business. There is a fine of £50,000 for operation without an environmental permit.

Enforcement

Section 6 of the Act outlines the various enforcement powers, including rights of entry. The police may enter any premise listed on the register of scrap metal dealers and ask to inspect any scrap metal on the premises or books relating to it.

Council officers may enter any area, at reasonable times, that they have reason to suspect should be on the register but is not, for the purpose of ascertaining if they are operating as a scrap metal store.

Anyone who opposes the right of entry by either police or council officer may be subject to a £200 fine on conviction.

3. Who does what?

Police: Responsible for investigating thefts; identifying stolen material

Councils: Responsible for maintaining the register of dealers in their locality; ensuring dealers comply with their responsibilities under the Act; providing leadership in tackling the issue

Environment Agency: Responsible for issuing environmental permits and monitoring sites for pollution

Dealers: Responsible for notifying authorities of their operation; keeping adequate records to fulfil the act; voluntarily participating in local or national codes of conduct

BMRA: Supporting dealers to improve their performance; representing the industry at a national level

4. Proposals for change

The Parliamentary year of 2011/12 has seen considerable debate on the subject of metal theft, and several attempts have been made to insert clauses in bills passing through Parliament, as well as a private members bill.

None of these attempts have been successful; however, this does not mean that the Government is not considering action. The LGA is in discussion with the Home Office on the best measures to tackle the harm done by metal theft.

Key options being explored include:

- **Introduction of cashless payments:** Industry and Government experts have identified the common use of cash in hand payments as a major factor in the prevalence and increase in metal theft. Several good practice schemes, including Operation Tornado, require voluntary adoption of a cashless payment system. At the time of writing there are proposed amendments requiring cashless payments being considered as part of the *Legal Aid, Sentencing and Punishment of Offenders Bill*
- **Developing a revised licensing regime:** Proposals exist to tighten the licensing regime to bring it more in line with regimes like that for the sale of alcohol. There is not yet a consensus on what this regime would look like, but it would likely include the ability to review, refuse, and impose conditions on an operating licence. On 8 February 2012 the Government announced proposals to grant the Environment Agency powers to remove environmental permits if the scrap yard is convicted of dealing in stolen metal.
- **Increasing fines:** It is widely recognised that the existing fine limit of £1,000 is grossly inadequate. Government has tabled proposals to increase fine levels.
- **Improved collaboration with partners:** A taskforce led by the British Transport Police has been established to further investigate ways of tackling metal theft.
- **Innovation in design:** Work is already underway to design out the use of metal in some items or making them more difficult to remove, as well as distinctive and identifiable.

The LGA is at the forefront of discussions on the matter and is representing the concerns of local government to central Whitehall departments. LGA members can contribute to the debate, and influence policy, by visiting the 'Tackling Metal Theft' discussion group on the LGA Knowledge Hub².

5. What can be done?

A local code of conduct is a popular way of tackling issues. As with any voluntary agreement, it is only effective for as long as it is seen as having teeth. In other words, there must be consequences for members failing to comply with the agreement. Prosecutions under the current Act were minimal during 2010 and it is worth considering a 'stick' as well as the 'carrot' collaborative approach. The Forest of Dean's partnership approach demonstrates an excellent example of this synergy. The approach is detailed in the Partnership Action Card in the Templates section below.

Three examples of codes of conduct are included in the Templates section below. They represent three different approaches to establishing a culture of good practice, and go into varying levels of detail. However, it is worth noting that all three agree on common principles such as the retention of CCTV footage, the provision of photo ID before payment, and formal commitment to comply with the Scrap Metal Dealers Act 1964. They also represent three different scales of operation: The Forest of Dean example is for use within the council and corresponding local policing areas; the Kirklees example is intended to operate at a regional level, comparable to the police region; while the BMRA code operates at a national level, but is only signed up to by member firms³.

Inspections can be tightened up to ensure that dealers are correctly recording the details required by the Act. A simple example is by ensuring that the descriptions of items received are meaningful and enable the item to be identified with reasonable confidence – see the Forest of Dean's example in the Templates section.

It is not currently possible to insist on cashless payment, but working with dealers can lead to voluntary adoption, following the example of SITA UK and Operation Tornado.

It is reasonable to require dealers to ask for photo-identification before metal is accepted and payment issued, to ensure that the name recorded on the books is a true identity.

Councils and police partners may also wish to speak to potential targets for metal theft, possibly through their community safety partnership, about some of the preventative techniques that can be used. Examples include UV paints that allow the item to be identified using an ultraviolet lamp. Branded products are widely available and offer a range of options for councils and organisations wishing to protect their property.

² https://knowledgehub.local.gov.uk/c/my_places/view?groupId=5951090&privateLayout=1

³ At the time of writing, the BMRA had around 300 members representing the majority of the larger firms in the industry.

Templates

Codes of Conduct:

Forest of Dean Council
Registered Scrap Yard – Local Code of Practice

As a Scrap Metal Dealer registered with XXXXXXXX Council, we are committed to working in partnership with XXXXXX Council and XXXXXXXX Constabulary to reduce metal theft, and therefore commit to providing the following;

- We will fully adhere to Scrap Metal Dealers Act 1964.
- We will require photo ID to be produced by customers trading in scrap metal. We will record their full name, address, vehicle registration, and a detailed description of the scrap metal.
- Should photo ID not be available, we will offer to purchase the scrap but only release the cash payment on receipt of photo ID (at a later time), or alternatively provide payment by cheque.
- We will not accept scrap from customers arriving on foot.
- We will retain CCTV footage for a period of 14 days.
- We will hand out leaflets (prepared by the Council and Police) to customers that explains their legal obligations when carrying scrap metal.
- We will display a 'Registered Scrap Yard' partnership sign and accompanying notices.

XXXXXXXXXXXXX
Registered Scrap Yard
XXXXXX Council Area

DATE _____

XXXXXXXXXXXXX
XXXXXXX Constabulary

XXXXXXX Council

Kirklees

All scrap metal dealers and merchants signing up to this Code agree to abide by the following:-

- All reasonable steps will be taken to ensure stolen metals are not bought
- Metals will only be accepted from those whose ID has been/can be verified on production of photo id and recent utility bill or similar with the sellers address.
- Staff to be trained in administrative processes and all paperwork should be relevant and kept up-to-date
- Suspicious customers and goods should be reported to the police
- Dealers will co-operate with police and local authorities by allowing access and inspection when requested
- No blackened copper wire that has obviously had its insulation removed should be bought

- Metals will not be accepted from customers on foot

- Metal will not be accepted from customers arriving in taxis

- Dealers will display prominent signage at their premises stating that “We report suspected metal thieves to West Yorkshire Police”

- All scrap metal dealers agree to work towards installing CCTV camera systems to West Yorkshire Police standards

- All scrap metal dealers to agree to work towards implementing cashless payments systems within 12 months.

British Metals Recycling Association

Code of Practice for England and Wales⁴

Introduction

The British Metal Recycling Association (BMRA) and its members recognise the serious impact that metal theft can have on industry and local communities. The BMRA is committed to working with the police service and other agencies to reduce the harm caused.

The BMRA and the ACPO Metal Theft Working Group endorse and support the following crime reduction measures:-

- The introduction of digital recorded CCTV systems at the entrances and/or weighbridges of recycling centres that is retained for 28 days.
- Where such systems have been installed posters advertising the fact will clearly be displayed on the premises.
- Requesting identification from persons disposing of metals who are not already known to the recycling centre⁵. The identification requested to include name, address and post code⁶. A record of the method of identification produced will be recorded including unique identifying reference number where applicable i.e. driver number in the case of driving licence or customer number if utility bill or similar document produced. Cash should not be paid to persons unknown to the recycling centre or where identification cannot be produced.
- The maintenance of accurate records required by the Scrap Metal Dealers Act 1964. This will include ensuring that names, addresses and vehicle registration number are complete and accurate.
- Suspicious persons will be reported to the local police force for the area concerned⁷.
- Suspicious transactions will be reported to the local police force for the area concerned.

⁴ The BMRA have also released a position paper on legislation to ban the purchase of scrap metal for cash.
<http://onlinenewsroom.co.uk/bmra/recycling-sustainability/bmra-outlines-industry-position-on-metal-theft/>

⁵ A person known to the recycling centre means someone who is personally known to staff or has previously produced satisfactory identification.

⁶ It is anticipated that there will be a move to requesting photo identification in the future.

⁷ Police Forces will assess each call individually and grade its response according to the information provided.

Partnership Action Card:

Forest of Dean Council

Action Card

This guidance outlines an approach for Council and Police partnerships wishing to tackle metal theft by using the scrap metal dealers as the critical control point.

1. Identify all scrap metal dealers within the partnership area.
2. Write to all scrap metal dealers using the 'initial letter' template.
3. Visit the scrap metal dealers and assess compliance with the Scrap Metal Dealers Act 1964 'the Act'.
4. Write to the scrap yards using the 'follow up letter' template
5. Invite the scrap metal dealers to attend a joint meeting to discuss and agree upon a local code of practice. A copy of a 'sample agreement' is included. As part of the agreement operators may agree to hand out literature to customers informing them of their responsibilities under the Scrap Metal Dealers Act and respective waste 'duty of care' legislation. A sample leaflet template can be obtained from matthew.kirby@fdean.gov.uk
6. Carry out further checks on the scrap metal dealers to ensure compliance with the Act, this may include test purchases to ensure operators are implementing the actions agreed within any local code of practice.

Initial Letter:

Forest of Dean Council

Dear [XXXXX],

Metal theft in [XXXXXX]

Metal theft is a big problem in [XXXXXXX]. It's a problem that's affecting us at the heart of our communities and you have a role to play to help us stop it.

The theft of metals from business and community-based buildings has led to significant site and structural damage, loss of reputation, corporate downtime and health and safety implications.

What we're doing about it

Both the Police and the Council are tackling the problem:

- The Police investigate theft crimes and put the criminals in front of the courts
- The Council registers scrap metal dealers. Action can be taken to enforce the record keeping requirements and registration, as well as waste carrier licenses and fly-tipping crime.

The thefts are such a big problem that now the Police and Council have launched an operation to work with *you* to tackle the problem. As well as catching the metal thieves, we need to make sure that all metal dealers in [XXXXX area] are registered and keeping proper records. Your records are crucial to help us catch the thieves.

The part you play – your responsibilities

To tackle the problem we must enforce the record keeping rules strictly. We have enclosed a copy of the requirements of the Scrap Metal Dealers Act 1964. If you are not already familiar with them, please study them carefully and make sure your staff understand them.

You must fully comply with the conditions by law. We will be making unannounced visits to check that you're keeping full and proper records, and to carry out spot checks of vehicles using your site.

Detecting stolen metal

Please be aware that people are now protecting metal such as roof lead and copper with combinations of forensic marking products such as Smartwater, SelectaMark and Redweb.

Police officers are now able to detect any stolen metal marked with these products using special UV lamps at any stage between the point of theft and processing.

Police officers may well visit you to examine scrap stocks using these lamps, using the

powers given to them by the Scrap Metal Dealers Act 1964.

BMRA Code of Practice

The British Metals Recycling Association and its members recognise the serious impact that metal theft can have on industry and local communities. Along with the Association of Chief Police Officers, they have produced a Code of Practice for metal dealers. Please find a copy enclosed with this letter.

The Council and Police encourage and expect you to support the crime reduction measures in the Code of Practice.

We ask you to tell us if you know of any unregistered scrap metal dealers (yards or itinerants), or of any suspicious activity by phoning CrimeStoppers on 0800 555 111. Your call can be anonymous.

We will soon visit your site in person to discuss the above, and to answer any questions you may have.

Yours sincerely,

Enclosed:

- Copy of Scrap Metal Dealers Act 1964 conditions
- BMRA Code of Practice

Follow up letter:

Forest of Dean Council

Dear ,

Scrap Metals Dealers Act 1964
Keeping full and accurate records

We visited your yard recently to tell you about how we're tackling metal theft and waste crime.

An important part of this is to make sure that you are keeping accurate records under the requirements of the Scrap Metal Dealers Act 1964. You should already have a copy of the requirements, but I've enclosed an extra copy for you.

When we visited you it was good to see that you were keeping records. However, we did find that some of your records were not accurate enough.

Remember, the law says that you must keep full, and accurate records.

The following are matters that break the Scrap Metal Dealers law mentioned above. If they are not solved then it is likely that legal action will be taken against you.

1. You did not record the full address for some of your customers in your records. You must record the full name and address.
2. You did not record accurate vehicle registration numbers. You and/or your operatives must check the registration plates yourselves rather than relying on customers to give them to you and you **MUST** record them correctly.
3. You did not record a clear description of the scrap metal in your records for many of your customers. You must do this, and include any obvious identifying marks:
 - ✓ **A clear description** = Brass pump with 'Anchor Ltd' stamp, and approx 10m blue copper cable.
 - ✗ **A poor description** = Heavy brass and cable.

The following are matters that DO NOT break the law but you are advised to deal with in general accordance with the British Metals Recycling Association Code of Practice (copy enclosed).

1. Cash should not be paid to persons where photo identification cannot be produced.

You should keep a record of the identification including a unique identifying reference number where applicable, i.e. driver number in the case of a driving licence.

2. We encourage you to install a digital recorded CCTV system at the entrance and/or weighbridge of your site if you don't already have it, and retain footage for at least 28 days. If you install CCTV, put up clearly displayed posters on your site advertising the fact.
3. Please report any suspicious people or transactions, or anything that you suspect may have been stolen to the Police. Your call can be anonymous.

Police and Council officers will revisit your premises shortly to check that you are keeping full and accurate records.

Yours sincerely,

[XXXXXXXXXXXXXXXXXXXXXXXXXXXX]

Enclosed:

- Copy of Scrap Metal Dealers Act 1964 conditions
- BMRA Code of Practice

For more information please contact

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