

POLICY NOTE

THE CIVIC GOVERNMENT (SCOTLAND) ACT 1982 (METAL DEALERS' EXEMPTION WARRANTS) ORDER 2012

SSI 2012/324

The above instrument is made in exercise of powers conferred on the Scottish Ministers by section 29(1) of the Civic Government (Scotland) Act 1982.

Policy objectives

The Civic Government (Scotland) Act 1982 established a licensing scheme for metal dealers. Provision was made within the Act that metal dealers who had a turnover of over £100,000 could gain an exemption warrant which would excuse them from the requirement to hold a licence. The figure of £100,000 has not changed since the passing of the legislation in 1982.

The Scottish Government is increasing the turnover level of £100,000 to a) take account of the effect of thirty years inflation and b) to better regulate the metal dealing industry by ensuring more dealers are subject to licensing requirements.

This order therefore raises the level of turnover required for an exemption to £1 million.

Consultation

The order was subject to full public consultation which between November 2011 and February 2012. The draft order suggested raising the turnover figure to £10m in order to bring most of the industry within licensing requirements. In the light of responses to the consultation the Scottish Government concluded that the exemption warrant system should be removed entirely with all dealers subject to revised licensing conditions. Such a step will be subject to further consultation.

In the interim it was decided that raising the threshold to £1m was appropriate taking account of inflation and the intention to extend the regulatory reach.

A Business and Regulatory Impact Assessment accompanied the consultation.

Financial Effects

There will be no cost to the Scottish Government. The cost to local authorities of administering the system, should be recouped through licensing fees. Dealers being brought within the system will be subject to the licensing fee and the cost of meeting any additional conditions imposed as a result of licensing.

**Scottish Government
November 2012**