

**REPORT TO: LICENSING COMMITTEE – 31 OCTOBER 2006**

**REPORT BY: LICENSING MANAGER**

**REPORT AUTHOR: NICKII HUMPHREYS**

**Registration of Motor Salvage Operators - Vehicles (Crime) Act 2001 and the Motor Salvage Operators Regulations 2002**

**1.0 Purpose of report**

The purpose of this report is inform members of the statutory requirement for local authorities to undertake the function of registering motor salvage operators as a measure to assist the Police with the control of vehicle crime. The report sets out the steps necessary to carry out the process and proposes the fees for registration.

**2.0 Recommendations**

***That:***

- 1) the provisions of Part 1 of the Vehicles (Crime) Act 2001 and the Motor Salvage Operators Regulations 2002 be noted;***
- 2) the City Solicitor be authorised to administer and otherwise deal with applications;***
- 3) the City Solicitor be authorised to approve, to renew, to refuse to grant, to refuse to renew or to cancel registrations at his discretion;***
- 4) in such cases where an applicant has been given notice of a proposal to refuse to grant, renew or cancel a registration and where that applicant has given notice that he wishes to make representations about the proposal, the matter will be referred to the Licensing Committee or one of its sub-committees for determination; and***
- 5) that a registration fee of £70 for the grant or renewal of a registration be approved.***

**3.0 Background**

The Vehicles (Crime) Act 2001 and the Motor Salvage Operators Regulations 2002 introduce powers to regulate the motor salvage industry. Previously it was felt that the lack of statutory regulation allowed a criminal element within the motor salvage industry to dispose of stolen vehicles and therefore the purpose of the new legislation is to reduce the opportunity for disposing of stolen vehicles within the salvage industry.

Such examples of criminal activity included:

- Giving the identity of legitimate vehicles (which have been seriously damaged or “written off”) to stolen vehicles – a process known as “ringing”;
- Breaking up stolen vehicles for their component parts which are then re-used to repair other vehicles or sold into the market for second-hand spares;
- Disposing of vehicles and then fraudulently reporting them as stolen to insurance companies.

#### **4.0 Statutory provisions**

Part 1 Sections 1-16 of the Vehicles (Crime) Act 2001 covers the following:

- The requirement of registration for motor salvage operators;
- Maintenance of a register of motor salvage operators by local authorities;
- Operators to maintain appropriate records of purchase and disposal of vehicles;
- Identification checks to be carried out by operators in respect of vendors and purchasers of vehicles; and
- Allows the Police right of entry to premises and the right of search without warrant.

The Motor Salvage Operators Regulations 2002 set out:

- The particulars of each motor salvage operator that must be recorded in the register;
- The requirements for registration or renewal of the registration; and
- The requirements for records to be kept by registered motor salvage operators.

Statutory provisions exist for the registering local authority to not only grant and renew registrations but also to refuse and cancel registrations to persons not considered to be “fit and proper”. In considering whether the applicant meets this criteria, the local authority will have regard to:

- i. Whether the applicant has been convicted of any offences under the Vehicle (Crimes) Act 2001;
- ii. Whether the applicant has been convicted of any offences of a description specified by the Secretary of State;
- iii. Any case of undischarged bankruptcy of the applicant or any directors or partners of the applicant;
- iv. Any adverse information submitted for consideration by the Police.

If an applicant is not considered a suitable person to be registered, the local authority must serve a formal notice on the person concerned stating the following:

- a) What the local authority are proposing to do (i.e. refuse to grant, renew or cancel the registration);
- b) The reasons for it; and

- c) The period of time (not less than 14 days starting with the date of the service of the notice) within which time the person concerned may by notice:
  - i. Require the local authority to give him an opportunity to make representations about the proposal; or
  - ii. Inform the local authority that he does not wish to make such representations.

In such cases where an applicant has indicated that he wishes to make representations to them about the proposed refusal to grant, renew or cancel the registration, then the matter may be determined by an appointed panel, which, for Portsmouth City Council, will be the Licensing Committee or one of its sub-committees.

## **5.0 Appeal provisions**

Should an application for the grant or renewal of a registration be refused or if a registration is cancelled by a local authority, an appeal may be lodged with the Magistrates' Court within 21 days. The Court may confirm, vary or reverse the local authority's decision and generally give such directions as it considers appropriate having regard to the Act.

## **6.0 Fees**

The Act provides that a local authority may set the level of fees to be charged in respect of applications in so far as it may only recover the reasonable costs incurred by them in connection with the administration of the administration process. The Local Government Association ("LGA") has given advice to the Government on fee levels and has suggested that fees should be in the range of £40 - £70 per application.

An entry in the motor salvage operators register is valid for three years from the date of entry and should be renewed prior to the end of that registration period.

## **7.0 Enforcement**

The legislation requires the local authority to register motor salvage operators and gives enforcement powers to both the local authority and the Police. However, in practical terms, the Police will be the main enforcing authority as they are the only body given powers of entry and inspection of premises and records.



Licensing Manager  
For City Solicitor

***Background List of documents – Section 100D of the Local Government Act 1972 - None***