

## Summary: Intervention & Options

<b>Department /Agency:</b>	<b>Title:</b> Impact Assessment of ELV Amending Regulations 2010 amending ELV Regulations 2005	
<b>Stage:</b> Final	<b>Version:</b> 1	<b>Date:</b>
<b>Related Publications:</b> End of Live Vehicles 2005 Regulatory Impact Assessment		

Available to view or download at:

<http://www.>

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### What is the problem under consideration? Why is government intervention necessary?

The UK's End-of Life Vehicle (ELV) Regulations 2005 transpose certain elements of the ELV Directive in the UK. The ELV Directive aims to reduce the environmental impact of certain types of vehicles placed on the European market by requiring the controlled de-pollution of ELVs and increased recycling/recovery of de-polluted ELVs. It also places a number of restrictions on the use of certain heavy metals in new vehicles and components to reduce the risk of harm from the use of such heavy metals. The rationale for the ELV Directive is to correct negative externalities resulting from new vehicles and ELVs.

### What are the policy objectives and the intended effects?

The policy objectives are to up-date and simplify the UK's 2005 ELV Regulations in line with the reporting requirements of the ELV Directive with respect to the treatment and recovery and recycling of ELVs.

The Amendment Regulations provide for three main changes to the 2005 ELV Regulations. These changes and their implications in terms of costs, benefits and risks are detailed on page 3 of the Impact Assessment.

### What policy options have been considered? Please justify any preferred option.

The Regulations need to be up-dated to reflect the reporting requirements inherent in the ELV Directive to ensure the UK achieves and maintains the recovery and recycling targets for ELVs. This is the preferred option that is being taken forward incorporating amendments made necessary because of developments at EU level. It provides a simple method for obligated parties to meet existing requirements and extends the time available for them to do so.

It is compared with a 'do nothing' option, which serves as a baseline against which to measure the impact of the preferred option.

### When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

UK policy in relation to ELVs is continually monitored and reviewed by BIS with particular help from its ELV Consultation Group, other Government Departments, the Driver and Vehicle Licensing Agency, the Vehicle Certification Agency, and the Environment Agencies.

### **Ministerial Sign-off** For final proposal/implementation stage Impact Assessments:

***I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.***

Signed by the responsible Minister:

..... Date:

## Summary: Analysis & Evidence

**Policy Option: Amend ELV Regulations**

**Description: Up-date Regulations to reflect ELV Directive, and make some minor administrative and other changes.**

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups' No measurable additional costs are expected for vehicle producers or Authorised Treatment Facilities (ATFs) over and above those estimated in the Regulatory Impact Assessment for the 2005 Regulations.
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	<b>£ 0</b>		
	<b>Average Annual Cost</b> (excluding one-off)		
	<b>£ 0</b>		<b>Total Cost (PV)</b> <b>£ 0</b>
<p><b>Other key non-monetised costs</b> by 'main affected groups' While the vast majority of obligated vehicle producers and ATFs are already using the standard reporting form, those that are not might need some one-off familiarisation time and might incur minor additional ongoing costs where the format is different from that previously used.</p>			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups' None
	<b>One-off</b>	<b>Yrs</b>	
	<b>£ 0</b>		
	<b>Average Annual Benefit</b> (excluding one-off)		
	<b>£ 0</b>		<b>Total Benefit (PV)</b> <b>£ 0</b>
<p><b>Other key non-monetised benefits</b> by 'main affected groups' Obligated vehicle producers and ATFs benefit in management time by having 3 additional months to report re-use/recovery performance. The standard reporting form means they are less likely to have their returns queried by BIS officials, leading to potential time savings for both stakeholders and officials.</p>			

**Key Assumptions/Sensitivities/Risks** Effective compliance of the new requirements of the regulation by stakeholders.

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Price Base Year 2009	Time Period Years 10	<b>Net Benefit Range (NPV)</b> <b>£ 0</b>	<b>NET BENEFIT (NPV Best estimate)</b> <b>£ 0</b>
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What is the geographic coverage of the policy/option?	UK			
On what date will the policy be implemented?	2010			
Which organisation(s) will enforce the policy?	BIS			
What is the total annual cost of enforcement for these organisations?	£ 0 - None additional			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ 0			
What is the value of changes in greenhouse gas emissions?	£ 0			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro <b>0</b>	Small <b>0</b>	Medium <b>0</b>	Large <b>0</b>
Are any of these organisations exempt?	No	No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)	
Increase of	£ 0	Decrease of	£ 0
		<b>Net Impact</b>	<b>£ 0</b>

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

### Strategic Overview, Issue and Objectives

1. The UK's End-of Life Vehicles (ELV) Regulations of 2005 (along with the UK's ELV Regulations 2003) transpose the European End-of Life Vehicle (ELV) Directive in the UK. The ELV Directive is European environmental legislation which aims to reduce the environmental impact of certain vehicles when they are produced as new vehicles, and when they reach the end-of their life and are subsequently discarded by their owners.

2. To this end the ELV Directive places certain restrictions on the use of certain heavy metals in the production of certain new vehicles (i.e. Category M1 and N1 vehicles). The Directive also requires the proper de-pollution of vehicles at the end-of their life and requires the recycling and recovery of ELVs to certain levels (currently this is set at 85 per cent overall recovery by weight of ELVs).

3. The UK's 2005 ELV Regulations completed transposition of the ELV Directive into UK, following the introduction of the 2003 ELV Regulations. The 2005 Regulations introduced the following main provisions of the ELV Directive in the UK: the entitlement to the free take-back of ELVs for their last holders/owners; the establishment of an adequate network of take-back points by vehicle manufacturers for last holders/owners of ELVs; requirements on those accepting ELVs from last holders to achieve certain recovery and recycling targets of ELVs.

4. The ELV Amending Regulations to which this IA relates update the UK's ELV Regulations of 2005 to ensure that the reporting requirements of the ELV Directive are achieved and maintained in the UK and to provide simplified arrangements for obligated parties to use to enable them to meet existing reporting requirements.

### Options, Analysis and Risks

5. The UK is required to maintain its own domestic ELV Regulations so as they are in line with the text (and any revisions to this text) of the ELV Directive. The ELV Directive requires member States to report on the achievement of the recycling and recovery targets of the Directive. This is currently 85 per cent recovery, of which 80 per cent needs to be recycling, for the ELVs covered by the Directive, i.e. M1 and N1 vehicles (these being passenger cars and light goods vehicles).

6. The Amendment Regulations which amend the 2005 ELV Regulations provide for three main changes to the Regulations. These changes and their implications in terms of costs, benefits and risks are discussed in turn below.

### ***(i) Regulation 2(5)***

7. This Regulation deals with the way in which obligated parties (both vehicle producers and individual Authorised Treatment Facilities) are required to report their annual performance against numerical re-use/recovery targets for the ELVs that they treat. The existing requirement is only for these obligated parties to report an overall figure, with neither the Regulations nor the Government guidance providing assistance in how to calculate the performance or suggesting a suitably helpful format on which to return it. The new requirement will be for parties to complete a straightforward form to show the calculations that will have been necessary in order to arrive at the final figure. A form of this type has already been provided by BIS to all obligated parties for them to use on a voluntary basis and the vast majority of them use it and find it a helpful aid to carrying out the necessary calculation. Additionally, this information will assist BIS in providing the Commission with the full details necessary to meet the requirements for member States reporting. At the time the original legislation was drafted, the detailed rules on reporting had not been agreed in Europe. Furthermore, the existing obligation is for parties to report by 1 April for the preceding year's performance. The new requirement will move this date to 1 July each year. This amendment provides a benefit for stakeholders, especially small businesses that do not have staff dedicated to administrative tasks.

### ***(ii) Regulation 2(6)***

8. This Regulation sets a date by which obligated parties who attain the targets for re-use, recovery and recycling need to send in their certificate of compliance to BIS. The existing obligation is for parties to do so by 1 April for the preceding year's performance. The new requirement will move this date to 1 July each year, in line with the new date in Regulation 2(5) above. This amendment provides a benefit for stakeholders, especially small businesses that do not have staff dedicated to administrative tasks.

### ***(iii) Regulation 2(7)***

9. This Regulation deals with the status of the person or persons that have authority to sign the aforementioned re-use/recovery report. The new regulation neither tightens nor relaxes the requirements, but merely clarifies the way it is set out in law.

### **“Do nothing” Option**

10. Not amending the existing Regulations to obligate parties to complete a form reporting their annual re-use/recovery performance would hinder the UK in meeting its own obligation to report its overall performance to the European Commission, and in the worst case scenario, could lead to infringement proceedings against the UK.

### **Conclusion and Recommendation**

11. The Regulations that amend the 2005 End of Life Vehicle (Producer Responsibility) Regulations are not expected to have any measurable additional impact on the current costs and benefits of the 2005 Regulations. Savings are minimal and are not quantified.

Simplification aspects are the new reporting format that provides obligated parties (around 40 vehicle producers and 1,700 ATFs) with a helpful method of meeting an existing obligation and a further amendment that allows additional time for them to report.

12. There will be a saving in Government administrative resources because of the standardisation in the information received and because it will now be tailored to enable the UK more easily to report performance to the European Commission.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	Yes
Sustainable Development	No	Yes
Carbon Assessment	No	Yes
Other Environment	No	Yes
Health Impact Assessment	No	Yes
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	Yes
Rural Proofing	No	Yes

## **SPECIFIC IMPACT TESTS**

### **Competition Assessment**

The Amending Regulations are not expected to have any significant impact on competition in the UK.

### **Small Firms Impact Test**

The Amending Regulations are expected to have some small time saving benefits for small firms because of the introduction of the reporting table which gives a simple method for reporting re-use/recycling performance, and because of the additional time allowed to do this.

### **Legal Aid**

The Amending Regulations are not expected to have any material effect on the criminal or civil liability of those who it affects, and so should not have any impact on legal aid in the UK.

### **Sustainable Development/Other Environment**

The Amending Regulations are not expected to have any significant impact on sustainable development.

### **Carbon Impact Assessment**

The Amending Regulations are not expected to have any significant carbon impact.

### **Health Impact Assessment**

The Amending Regulations are not expected to have any significant health impacts.

### **Race, Disability and Gender Impact Assessments**

After initial screening as to the potential impact of this regulation on race, disability and gender equality it has been decided that there will not be a major impact upon minority groups in terms of numbers affected or the seriousness of the likely impact, or both.

### **Human Rights**

The Amending Regulations are not expected to impact on the rights and freedoms of individuals as set out in the Human Rights Act 1998.

### **Rural Proofing**

The Amending Regulations are not expected to have significant impacts on rural areas or circumstances.