

The removal of two Low Risk Regulatory Positions allowing the storage and processing of waste catalytic converters

**Department for Environment, Food & Rural Affairs –
Environment Agency**

RPC rating: fit for purpose

Description of proposal

The proposal is to remove two Low Risk Regulatory Positions (LRWP 362 & LRWP 405) that allowed the storage, sorting and dismantling of up to 10 tonnes of non-hazardous motor vehicle catalytic converters. The decision was made after the Environment Agency (EA) became aware that some catalytic converters contain refractory ceramic fibre (RCF), which is classified as a category 1B carcinogen. As a result of the removal of the LRWPs, businesses involved in storing and processing catalytic converters would see an increase in regulatory burden.

Impacts of proposal

Businesses affected by the changes include:

- garages and end-of-life vehicle sites handling catalytic converters containing RCF matting;
- end-of-Life vehicle sites (ELVs) that depollute and dismantle vehicles;
- intermediate sites storing only catalytic converters;
- metal recycling sites storing catalytic converters with other waste types; and
- Businesses that de-can waste catalytic converters (cut open the metal casing to remove the honeycomb centre).

As a result of the change, all garages (38,000 sites) and ELVs (1,830 sites) would have to consign catalytic converters as hazardous waste. The assessment states that these businesses already have to record other hazardous waste they produce, so it would only take an extra 10 minutes to complete a consignment note for catalytic converters. The assessment also assumes that garages and ELVs would be paid for the removal of the converters stored on site.

Ten intermediate and forty metal recycling sites would need to apply for new permits or amend their existing ones. They, too would face higher on-going costs as a result of the measure.

Two de-canning sites would have to apply for *installation* permits (related to processing larger volumes of catalytic converters), ten could apply for simpler *waste* permits and the remaining 8 sites would have to amend their existing permits. All would face higher on-going costs as a result of the measure.

The EA bases its estimates of the number of affected sites on available statistics (2015 hazardous producer registration data for garages; authorised treatment facility (ATF) register of vehicle dismantlers) and on consultation evidence (including responses from trade bodies such as the Motor Vehicle Dismantlers Association (MVDA) and British Vehicle Salvage Federation (BVSF)).

The table below summarises the costs to businesses:

Type of business	One-off impact	Recurring impact (annual)
Garages	-	£87,400
End-of-Life vehicle sites	-	£4,209
Intermediate sites	£81,640	£11,175
Metal recycling sites	£4,708	£132,800
Businesses that de-can waste catalytic converters	£340,364	£87,308
Total	£426,712	£322,892

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of 0.4 million. This will be a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

The EA has provided sufficient evidence to support its estimate of the impacts of the measure. The assessment is proportionate and the main impacts of the measure are presented in a clear and accessible way. The assessment would have benefited from a slightly more detailed description of the consultation evidence used to inform the impact estimates.

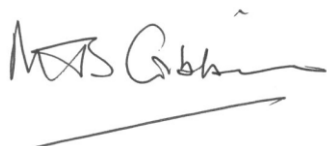
Familiarisation costs to garages and ELVs with existing permits are not explicitly discussed in the assessment. The analysis seems to suggest that this is because these businesses already have reporting procedures in place and the new requirement would be incorporated into these existing arrangements. While this seems reasonable, the assessment could have explained this point more explicitly.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	£0.4 million
Business net present value	-£3.2 million

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated ¹	£0.4 million
Business Impact Target (BIT) Score ¹	£2.0 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.