

## Summary: Intervention & Options

<b>Department /Agency:</b> Defra	<b>Title:</b> Impact Assessment of The Hazardous Waste (England and Wales) Regulations 2005	
<b>Stage:</b> Consultation IA	<b>Version:</b> Final draft	<b>Date:</b> 6 November 2008
<b>Related Publications:</b>		

### Available to view or download at:

<http://www.defra.gov.uk/corporate/consult/hazardous-wasteregs/index.htm>.

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

The Hazardous Waste Regulations, which came into force in July 2005, affect anyone who handles hazardous waste in England and Wales.

Government intervention is necessary because a post-implementation review indicates that the regulations are not working as originally intended. It is therefore proposing the amendments below.

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

To reduce the number of hazardous waste producing premises required to notify the Environment Agency by increasing the qualifying limitation for qualifying for this exemption from 200kg to 500kg. The effect would be to reduce the regulatory burden on small businesses.

To amend the Regulations in order to clarify those aspects which are not clear. This would enable the Agency to target its enforcement activity more appropriately.

To simplify the multiple collection paperwork documents. This would reduce the time spent completing the forms thereby reducing the regulatory burden on the industry.

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

1. Maintain the status quo (no intervention)
2. Amend the Regulations in order to:
  - extend the exemption from notification
  - simplify the multiple consignment document.
  - clarify unclear provisions.

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

3 years from the coming-into-force date

### **Ministerial Sign-off** For consultation 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

<b>Policy Option: 2</b>	<b>Description:</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' No costs are expected as a result of this change. Please see 'Costs' sections below.			
	<b>One-off</b> (Transition) <span style="float: right;">Yrs</span>				
	<b>£ 0.00</b>				
	<b>Average Annual Cost</b> (excluding one-off)				
	<b>£ 0.00</b>	<b>Total Cost (PV)</b>	<b>£ 0.00</b>		
Other <b>key non-monetised costs</b> by 'main affected groups'					

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' This figure indicates the benefit to the industry as a result of extending the notification exemption. 72,600 less producers will be required to notify the Agency, hence saving each producer £18-20 per notification.			
	<b>One-off</b> <span style="float: right;">Yrs</span>				
	<b>£ 0.00</b>		10		
	<b>Average Annual Benefit</b> (excluding one-off)				
	<b>£ 1.6-2.8m</b>	<b>Total Benefit (PV)</b>	<b>£ 4.9-8.1m</b>		
Other <b>key non-monetised benefits</b> by 'main affected groups'					

Key Assumptions/Sensitivities/Risks
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Price Base Year 2005	Time Period Years 3	<b>Net Benefit Range (NPV)</b> <b>£ 4.9-8.1m</b>	<b>NET BENEFIT (NPV Best estimate)</b> <b>£ 8.1m</b>
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What is the geographic coverage of the policy/option?	England			
On what date will the policy be implemented?	6/10/2008			
Which organisation(s) will enforce the policy?	Environment Agency			
What is the total annual cost of enforcement for these organisations?	£ NA			
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?	£ NA			
What is the value of changes in greenhouse gas emissions?	£ NA			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes	Yes	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)
Increase of	£ 0.00	Decrease of	£ .3m-1.4m
		<b>Net Impact</b>	<b>£ -0.3m-1.4m</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.]

### **Background.**

The Hazardous Waste Regulations which came into force on 16 July 2005, set down the regime for the control and tracking of the movement of hazardous waste for the purpose of implementing the Hazardous Waste Directive (Directive 91/689/EC). The Regulations include a requirement for hazardous waste producers to notify their premises to the Environment Agency before hazardous wastes can be removed from the premises. They also exempt certain low risk premises from the requirement as long as they produce less than a specified amount of hazardous waste per annum.

### **Rationale for Government intervention and desired outcomes of the proposals.**

The rules have existed in their present form since 2005. We are aware that some provisions in the Regulations are not working as we had originally intended and hence are proposing a few relatively minor amendments to address these. We also want to reduce the regulatory burden on businesses by (i) introducing a blanket exemption for **all** premises producing less than 500kg of hazardous waste in any 12 month period, and (ii) by simplifying the multiple collection consignment note. We also intend to clarify any provisions in the regulations which, as currently drafted, may be subject to misinterpretation.

### **Intervention and options.**

The following policy options were analysed in producing this Impact Assessment:

- (1) Maintaining the status quo; and
- (2) Amending the Regulations to clarify elements of the Regulations, increase the extent of the notification exemption and to simplify the paperwork requirements for multiple consignment documentation.

Option 2 was considered the most appropriate option and the justification for the adoption of this option is discussed below.

### **Costs and benefits analysis**

#### Benefits

#### Notification of premises exemption

The annual cost of notification to a producer for a typical premises is between £18 - 28. The charge for notification of premises are as follows:

- (a) £18 for each set of premises notified in electronic form
- (b) £23 for each set of premises notified by telephone; and
- (c) £28 for each set of premises notified in writing.

An analysis of the trends by which producers have notified their premises since the Regulations came into force indicates that widening the notification exemption to include all premises producing less than 500kg of hazardous waste per annum would result in a cost savings to industry of **£1,400,000** per annum; an average of £19 per producer.

The administrative burden imposed on a typical producer of hazardous waste as a result of the requirement to notify the Environment Agency has been calculated at £4.10 per annum. The Agency data indicates that the introduction of the notification exemption would exempt a further 72,600 producers out of those who currently notify hazardous waste. Therefore, the adoption of this policy proposal should reduce the administrative burden on producers of hazardous waste by £297,660 per annum (i.e £4.10 x 72,600 producers).

### Modification of multiple collection note

There are about 1,200,000 multiple collection consignment movements each year in England and Wales. We estimate that it takes an average of 15 minutes to complete a multiple collection consignment note at a cost of £2.73 per note. This results in an administrative burden on the industry of £3,276,000 per annum.

The simplification measures that have been made to the multiple collection consignment note should make it easier and quicker to complete. We estimate that it should now take on average 10 minutes to complete the note. The cost per note would thus be reduced to £1.82 and the administrative burden to industry would be reduced to £2,184,000. This represents an administrative burden reduction of £1,092,000 to the industry.

As a sensitivity case, we assume that there could be no time saving to the industry, in which case the benefits to the modification of the multiple collection note would be zero. Therefore that the cost saving for this proposal would be within the range of £0 to £1,092,000.

Therefore the total administrative burden reduction as a result of these proposals could be calculated as £297,660 + (£0 - £1,092,000) giving a range of **297,660 to £1,389,660**.

The total cost saving to industry as a result of simplifying the multiple collection consignment note and extending the notification exemption could be calculated as £297,660 + (£0 - £1,092,000) + 1,400,000, giving total cost savings within the range of **£ 1,697,660 - 2,789,660**.

### Costs

Having made an assessment of premises notifications since 2005, Defra and the Environment Agency have concluded that premises producing up to 500kg of hazardous waste in a 12 month period represent a relatively low risk and require only a low frequency of inspection. The Environment Agency therefore expect very little environmental impact as a result of the adoption of this proposal. The intention is to reduce the regulatory burden on businesses whilst maintaining the requisite level of environmental protection (please see section 6 of the accompanying consultation document for more background information on widening the notification exemption).

### **Competition Assessment.**

The competition filter was applied to assess the risk of a significant detrimental effect on competition. The test was informed by discussions with the Environment Agency and industry. Analysis of the competition filter indicated that the main change, which is the blanket exemption from notification for all premises producing less than 500kg of hazardous waste per annum, will have no detrimental effect on competition.

### **Small Firms Impact Test**

The majority of all small and medium-sized enterprises are classified as hazardous waste producers for the purposes of the Hazardous Waste Regulations. The latest statistics indicate that 212,703 producers of hazardous waste notify their premises to the Environment Agency each year. There are already a lot of producers who are exempt from the notification requirement. The introduction of the notification exemption would exempt a further 72,600

producers of those who currently notify hazardous waste, representing about one-third of the total number of premises, from the notification requirement.

The majority of hazardous waste producers are small businesses. As already indicated in the costs and benefits section above, simplifying the multiple collection consignment note would reduce the administrative burden on businesses by £297,660 - 1,389,660 per annum.

### **Rural Proofing.**

The policy is unlikely to have a different or disproportionate impact in rural areas due to particular rural circumstances or needs.

### **Sustainable Development.**

The sustainable development filter was applied to assess the risk of a significant detrimental effect on competition. Analysis of the “stretching the web” filter indicated either a neutral or beneficial effect of the policy proposal on sustainable development.

### **Legal Aid.**

The proposal does not introduce any new criminal sanctions or civil penalties.

### **Race Equality Impact Assessment.**

The policy proposals do not have any race equality impacts.

### **Disability Equality Impact Assessment.**

The policy proposals do not have any Disability Equality impacts.

### **Gender Equality Impact Assessment.**

The policy proposals do not have any gender equality impacts.

### **Human Rights.**

There are no human rights issues raised by these proposals.

### **Carbon Impact Assessment.**

The proposals do not affect an activity or sector that may have a significant impact on emissions of greenhouse gases, and therefore a full carbon impact assessment has not been completed.

### **Health Impact Assessment.**

The policy proposals will not have an impact on health or health inequalities by virtue of its effects on the wider determinants of health contained in the Department of Health’s screening questions for health impact assessment.

## 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	Yes	Yes/No
Small Firms Impact Test	Yes	Yes/No
Legal Aid	Yes	Yes/No
Sustainable Development	Yes	Yes/No
Carbon Assessment	Yes	Yes/No
Other Environment	Yes	Yes/No
Health Impact Assessment	Yes	Yes/No
Race Equality	Yes	Yes/No
Disability Equality	Yes	Yes/No
Gender Equality	Yes	Yes/No
Human Rights	Yes	Yes/No
Rural Proofing	Yes	Yes/No

## Annexes

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