

Committee	Cabinet
Date	9 March 2004
Report By	Director of Transport and Environment
Title of Report	Disposal of Abandoned Vehicles
Purpose of Report	To inform members of changes to the way abandoned vehicles are managed with regard to a proposed County-wide Abandoned Vehicle Disposal Contract and to notify members of the potential for increased costs of dealing with abandoned vehicles in future years.

RECOMMENDATIONS

The Cabinet is recommended:

- 1. to note the report and the potential for increased costs in future years for dealing with abandoned vehicles; and**
 - 2. to agree that the County Council, as Waste Disposal Authority, leads a partnership with the Waste Collection Authorities to secure a County-wide Abandoned Vehicle Disposal Contract.**
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1. Financial Appraisal

1.1 As the Waste Disposal Authority (WDA), the County Council has a statutory duty to pay for the disposal element of abandoned vehicles. In previous years the disposal costs incurred by Waste Collection Authorities (WCAs) have been at least covered by the scrap value of the vehicle, but over the last five years scrap values have been steadily dropping and WCAs have sought to recover any residual costs from the WDA. Where the costs have been substantiated the County Council has reimbursed WCAs for the disposal element of the service after adjusting for any "profits" arising in previous years.

1.2 During 2003/04 the cost of disposing of abandoned vehicles is likely to be in the region of £30,000. The County Council's disposal costs for abandoned vehicles are likely to rise over the next few years due to falling scrap metal values, increased environmental requirements due to the End of Life Vehicles Directive (ELVD) and the anticipated increase in the number of abandoned vehicles. The table in Appendix 1 shows estimated costs. Appendix 2 contains further details and timetable on the ELVD. It is envisaged that the costs for 2004/05 can be managed within existing budgets. The estimated disposal cost through the proposed abandoned vehicle contract over five years (2005/2006 to 2009/2010) is likely to be in the region of £380,000. However, if scrap metal values rise the cost for disposal will reduce proportionately.

1.3 It is not possible to draw a direct comparison of these estimated costs to those if the proposed contract is not put in place. The proposed County-wide contract will remove the financial uncertainty for the County Council from potential compensation claims from the WCAs and will give clearer and more controllable cost predictions for future years. However costs will inevitably rise in the next few years as the WDA will have to pay, as part of its statutory function, the disposal element of abandoned vehicles for all WCAs. If existing arrangements were to continue the cost impact on the WDA would not be known and there would be ongoing concerns over the true cost of the disposal element for which the County Council is responsible. The best estimates included at Appendix 1 will be built in to the Medium Term Financial Plan (MTFP) for 2005/06 onwards.

1.4 Initial information from the Government surrounding the ELVD indicated that there would be no costs to local authorities. However, it now appears that local authorities will have to cover the costs up to 2007, hence the late addition of this item to the MTFP. Beyond 2007 the costs will be the responsibility of the vehicle manufacturers.

1.5 Whilst local authorities are now expected to bear the costs for the next three years to 2007, there may be some funding available from the Government's New Burdens Fund and investigations into this aspect are continuing.

2. Supporting Information

2.1 Over the last five years there has been around a 400% rise in abandoned vehicles in East Sussex, with approximately 3,500 vehicles now being abandoned each year. The rise is largely attributable to a continued fall in international metal prices over the same five-year period.

2.2 The collection and disposal of abandoned vehicles is currently arranged by the Waste Collection Authorities (WCA's). Each WCA has a separate contractor and the cost of dealing with vehicles varies across the County and between service providers.

2.3 In addition, the WCAs and the WDA are potentially liable for some costs after 2007, as the delivery of old vehicles, to the disposal facility, will be the responsibility of the vehicle owner. Hence this may result in some vehicles continuing to be abandoned by irresponsible owners.

2.4 Under the County-wide contract it is proposed that each administrative area will be a 'lot'. Abandoned vehicle contractors will have the opportunity to submit tenders for an individual area or lot but they will also have the opportunity to offer tenders for multiple lots.

2.5 It is proposed that the County Council as the WDA will act as the Lead Authority, in a partnership with the Boroughs and Districts to secure a countywide abandoned vehicle contract through the procurement process.

3. Environmental Issues

3.1 The main intention of the ELVD is to reduce the potential environmental pollution caused by the car dismantling industry and to ensure that the resources within vehicles are captured and recycled. The successful contractor is likely to use transfer stations for the collection of abandoned vehicles, reducing the number of vehicle journeys.

4. Community Safety Issues

4.1 One of the contract requirements will be to link with the Operation Crackdown information hub, which uses Police powers to remove vehicles from the streets. Operation Crackdown has reduced the time it takes to have a vehicle removed and reduces vehicle arson and other associated crime & disorder and health & safety problems.

5. Conclusion and Reason for Recommendation

5.1 The successful procurement of a County-wide contract will provide a good example of partnership working and joined up service delivery with the potential to provide best value. It will remove the need for compensation claims from the WCA's and will provide for clearer management and greater control on future costs.

BOB WILKINS, Director of Transport and Environment

03 March 2004

Cabinet: C9March-DisposalAbandonedVehicles

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Local member: All

BACKGROUND DOCUMENTS: EU Directive 2000/53/EC 'End of Life Vehicles (ELVD)'.

TABLE OF ANTICIPATED COSTS FOR FUTURE YEARS

APPENDIX 1

Expected costs	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total for contract period
Collection (WCAs)	£70,000	£80,000	£100,000	£100,000	£60,000	£40,000	£25,000	£325,000
Disposal (WDA)	£30,000	£30,000	£135,000	£150,000	£80,000	£10,000	£5,000	£380,000
Total	£100,000	£110,000	£235,000	£250,000	£140,000	£50,000	£30,000	£705,000
	Non Contract Period		Contract period					

All figures are estimates.

EU DIRECTIVE 2000/53/EC 'END OF LIFE VEHICLES DIRECTIVE (ELVD)'

EU Directive 2000/53/EC 'End of Life Vehicles' (ELVD) was adopted in October 2000 and makes provision for a more environmentally conscious vehicle dismantling and shredding industry. Requirements are introduced for the following items:

- A greater emphasis on the regulation of premises used for vehicle dismantling and shredding.
- The removal of pollutants from vehicles.
- A restriction on the materials that can be used in vehicle manufacture.
- Measures to ensure vehicle materials are recovered and recycled.

Local authorities and the vehicle dismantling industry have had a period of consultation with the Department for Trade and Industry (DTI), regarding the content of the Statutory Instrument that has brought the Directive into the UK legislative framework. This period is now over and the Statutory Instrument has been completed in the form of an amendment to the Environmental Protection Act 1990.

The amendment was presented to parliament on 9 October 2003 and has been agreed. Aspects that regulate vehicle dismantler's premises became law on 3 November 2003. This very short lead-in time has been recognised by the industry as insufficient and to take account of this, the Statutory Instrument allows agreements to be made between the Environment Agency (EA) and the individual vehicle dismantlers. In any event, all sites were instructed to comply with the specifications of the new legislation by 1 February 2004. This period has now passed, the EA have not enforced the Regulations as they were intended and have now advised that all sites should be compliant by 31 October 2004.

Further requirements of the new legislation are likely to reduce the number of abandoned vehicles. These are 'Continuous Registration' and 'Free Take-Back Schemes'.

Continuous Registration regulations were brought in at the beginning of 2004. The new powers granted to the DVLA will make the last registered keeper responsible for the vehicle until its destruction. It is hoped that following higher numbers of prosecutions, the number of vehicles abandoned will decrease.

Free Take-Back Schemes will be provided by vehicle manufacturers for all vehicles registered from 1 July 2002. From 1 January 2007 this will include all vehicles. The delivery of the vehicle to the disposal facility will be the responsibility of the owner; this may cause vehicles to continue to be abandoned by irresponsible owners.

The costs of capital investments made by the vehicle dismantlers and shredders in meeting the requirements of the new Regulations are likely to be passed on to customers through handling and service charges. This will have an impact on the costs of removing and disposing of abandoned vehicles for the Local Authorities.

The most significant short-term rise in the cost of this process, is the requirement to depolite all vehicles prior to dismantling and shredding. Specialist equipment has already been designed for this purpose and is being used by the larger vehicle dismantlers. Indications from the industry are that the current costs are around £25 to £35 per vehicle.

In addition to the requirements to depolite vehicles, substantial changes in price are likely when vehicle shredders are required to meet recycling and recovery targets. No data has been released by the vehicle shredders as to their ability to meet these targets but the industry is confident that it can achieve the targets in 2006 and research is being progressed to establish markets and end uses for recovered materials.

Timetable for legislative change

October 2003	End of Life Vehicle Regulations agreed.
November 2003	End of Life Vehicle Regulations brought into force.
January 2004	Continuous Registration of vehicles.
February 2004	Vehicle dismantlers required to meet environmental site safety specifications. Requirement to depoluate all vehicles.
January 2006	UK requirement to meet vehicle recycling and recovery targets of 80% and 85% respectively.
January 2007	Manufacturer requirement to provide free take-back facilities.
April 2015	UK recycling and recovery targets rise to 85% and 95% respectively.