

Compliance Assessment Report

Report ID:
CAR_NRW0034061

This form will report compliance with your permit as determined by an NRW officer

Site	Port Talbot Steel Works	Permit Ref	BL7108IM		
Operator/Permit holder	Tata Steel UK Limited				
Regime	Installations				
Date of assessment	31/07/2018	Time in	14:30	Out	16:30
Assessment type	Audit				
Parts of the permit assessed	1 Management; 2 Operations; 3 Emissions and Monitoring; 4 Information				
Lead officer's name	Cowie, Douglas				
Accompanied by	Broom, Mark				
Recipient's name/position	Claire Grainger/ Environment Manager	Date issued	06/02/2019		

Section 1 – Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations or the licence under the Water Resources Act 1991 as amended by the Water Act 2003. A detailed explanation is captured in "Compliance Assessment Report Detail" (Section 2) and any actions you may need to take are given in the "Action(s)" (section 4). This summary details where we believe any non-compliance with the permit has occurred, the relevant condition and how the non-compliance has been categorised using our Compliance Classification Scheme (CCS). CCS Scores can be consolidated or suspended where appropriate, to reflect the impact of some non-compliances more accurately. For more details of our CCS scheme, contact your local office.

Permit conditions and compliance summary	CCS Category	Condition(s) breached
A1 - Specified by permit	A	
C1 - General Management - Staff competency/training	A	
C2 - General Management - Management system and operating procedures	C3	1.1.1 management system; 1.1.2 records
D2 - Incident Management - Accidents, emergency and incident planning	A	
E1 - Emissions - Air	A	
F1 - Amenity - Odour	A	
F2 - Amenity - Noise	A	
F3 - Amenity - Dust/fibres/particulates and litter	A	
F5 - Amenity - Deposits on road	X	
G1 - Monitoring and Records, Maintenance and Reporting - Monitoring of emissions and environment	A	
G2 - Monitoring and Records, Maintenance and Reporting - Records of activity, site diary/journal/events	A	
G4 - Monitoring and Records, Maintenance and Reporting - Reporting and notification to Natural Resources Wales	A	

KEY: See Section 5 for breach categories, suspended scores will be indicated as such.
A = Assessed or assessed in part (no evidence of non-compliance), **X** = Action only,
O = Ongoing non-compliance, not scored.

Number of breaches recorded	1	Total compliance score (see section 5 for scoring scheme)	4
------------------------------------	----------	---	----------

If the Number of breaches recorded is greater than zero, please see Section 3 for our proposed enforcement response

Section 2 – Compliance Assessment Report Detail

This section contains a report of our findings and will usually include information on:

- The part(s) of the permit that were assessed (eg. Maintenance, training, combustion plant, etc)
- Where the type of assessment was 'Data Review' details of the report/results triggering the assessment
- Any non-compliances identified
- Any non-compliances with directly applicable legislation
- Details of any multiple non-compliances
- Information on the compliance score accrued inc.
- Details of advice given
- Any other areas of concern
- Any actions requested
- Any examples of good practice
- A reference to photos taken

Site description

Tata Steel UK Ltd (Tata Steel) operates an integrated iron and steel works at Port Talbot, Neath Port Talbot. The site is permitted as an installation under the Environmental Permitting Regulations (EPR). Tata Steel has several defined industrial processes which are carried out sequentially across the installation to convert raw iron ores and coal to semi-finished (slab) and finished steel products (such as hot rolled, pickled and oiled, cold rolled and annealed steel). The permit also covers coke making and the reception, stockpiling and blending of raw iron making materials. Four other companies – Cambrian Stone, Harsco Metals, Runtech and ICL – are contracted to undertake their own permitted activities at the steelworks on Tata Steel's behalf.

Purpose of visit/assessment

NRW has received numerous environmental complaints from residential properties near Port Talbot steelworks from the beginning of May 2018 onwards.

As part of our regulation we periodically audit Tata Steel's complaint handling procedures and work instructions, which form part of the company's over-arching environmental management system. We felt it necessary to review this topic in response to increased numbers of complaints over a sustained period.

The relevant permit conditions are listed under Sections 1.1, 2.3, 3.2, 3.3, 3.4, 3.5, 3.7, 4.1, 4.2, 4.3 and 4.4 of Tata's permit.

Person(s) present

Tata Steel

Claire Grainger
Andrew Townsend
Beverley Jenkins
Michael Launder
Georgina Brooks
Lucy James

NRW

Mark Broom
Doug Cowie

Environmental complaint handling & response

Tata Steel's permit contains the following general management conditions:

1.1 General management

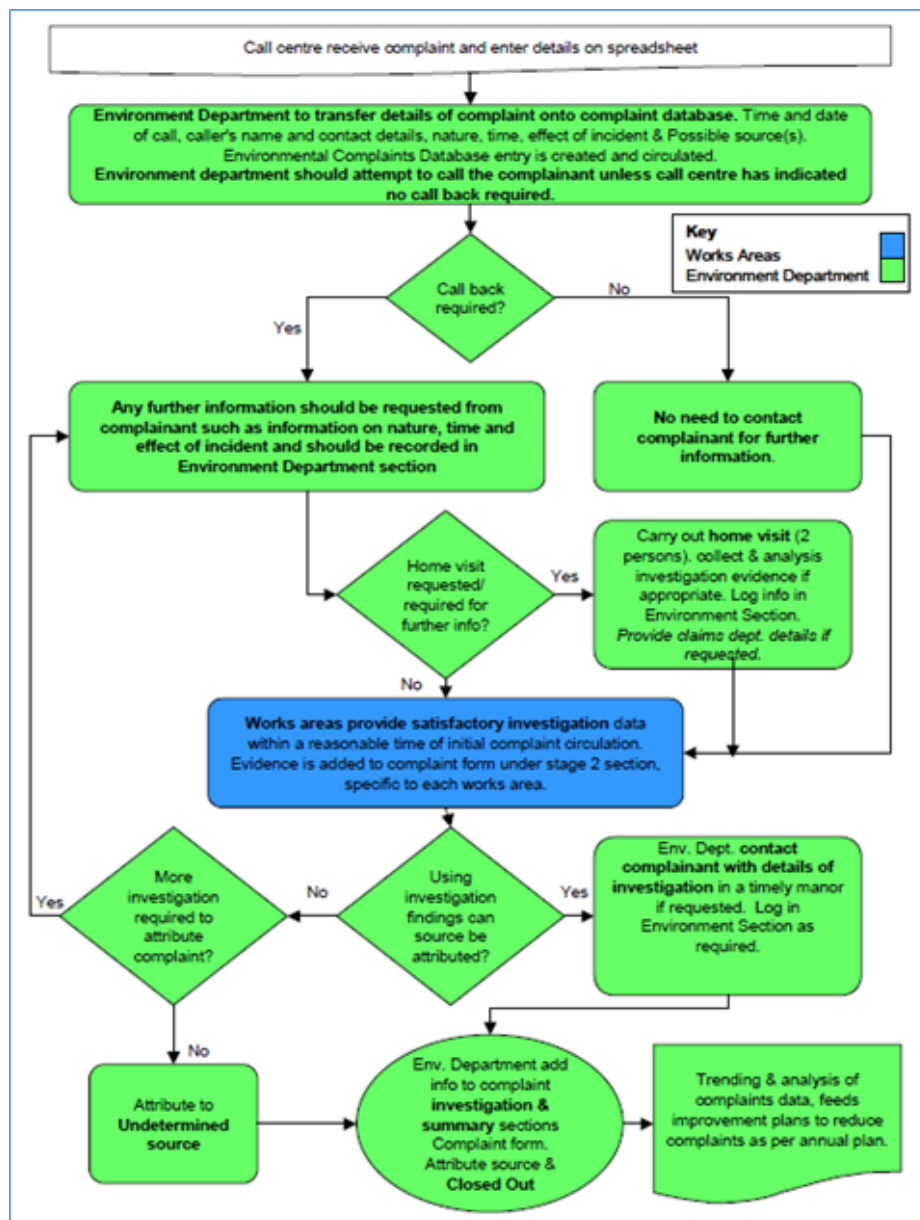
1.1.1 The operator shall manage and operate the activities:

- (a) in accordance with a written management system that identifies and minimises risks of pollution, including those arising from operations, maintenance, accidents, incidents, non-conformances, closure and those drawn to the attention of the operator as a result of complaints; and
- (b) using sufficient competent persons and resources.

1.1.2 Records demonstrating compliance with condition 1.1.1 shall be maintained.

1.1.3 Any person having duties that are or may be affected by the matters set out in this permit shall have convenient access to a copy of it kept at or near the place where those duties are carried out.

To meet these requirements, Tata Steel's EMS incorporates a work instruction - BLES-5BCEQS Revision 11 Sep 2017 – outlining how the company handles and investigates environmental complaints for its manufacturing sites within the Tata Steel Strip Products division. The work instruction also covers company communications in response to complaints. The following flow chart summarises the approach taken:



Revision 12 of this work instruction is being developed to consider additional actions currently being undertaken by Tata Steel personnel in response to complaints, and recent modifications to Tata's communications strategy. Revision 11 was the active version at the time of this audit.

The range of complaints potentially fielded by Tata Steel personnel include:

- Visible or 'nuisance' dust fallout
- Visible releases or emissions e.g. smoke, fumes
- Poor local air quality
- Noise
- Odour

This list is not exhaustive but reflects the main types of complaint associated with the steelworks.

The roles undertaken by the various members of Tata Steel's Safety, Health & Environment (SHE) Team were confirmed in respect of complaint handling. Support from other areas of the steelworks is called on as necessary, often to facilitate the deployment of amenity impact control measures such as water bowsers.

The deployment (by Tata Steel) of dust deposition monitors within the populated areas near the steelworks was discussed. These monitors help Tata Steel assess the nature of dust fallout within these areas and which is the subject of many complaints. Currently a series of petri dishes are used at locations in Taibach and Margam from where most dust complaints originate. Tata Steel intends to move towards a network of fixed deposition monitors from deployed in residential areas between Aberavon and Margam. This approach would allow more controlled, reliable data capture which could aid characterisation and interpretation of the dust fallout issue causing concern.

NRW and Tata Steel have plotted the locations of complaints received in 2018 and have noted the following patterns:

- The Taibach complaint 'arc' generally extends from the Fire Station AURN air quality monitor towards the Prince Street air quality monitor deployed at the Dwr Cymru Welsh Water sewage pumping station. Most of the dust complaints received by Tata Steel in 2018 have been from this area.
- The Margam complaint arc appears to extend from Cefn Gwrgan Road (near the old steelworks site entrance), up through the Morfa Road and Beechwood Road neighbourhoods and northwards towards Groeswen Playing Fields.

It is common for individuals who complain directly to Tata Steel about perceived steelworks dust fallout to also seek/claim some form of redress from the company, as well as assurance that the cause(s) of the issue are being addressed. The SHE Team explained their desire to link Tata Steel's current third party claims system more closely with the complaint handling system to allow such enquiries to be handled in a more integrated way. While this is one of the changes that will be reflected in Revision 12 of the complaints work instruction, the active Revision 11 does not capture and articulate this in sufficient detail.

One further intervention introduced during July 2018 is a weekly complaint and claims review meeting, which has been introduced to improve co-ordination between both departments and speed up processing and closure of complaints and claims.

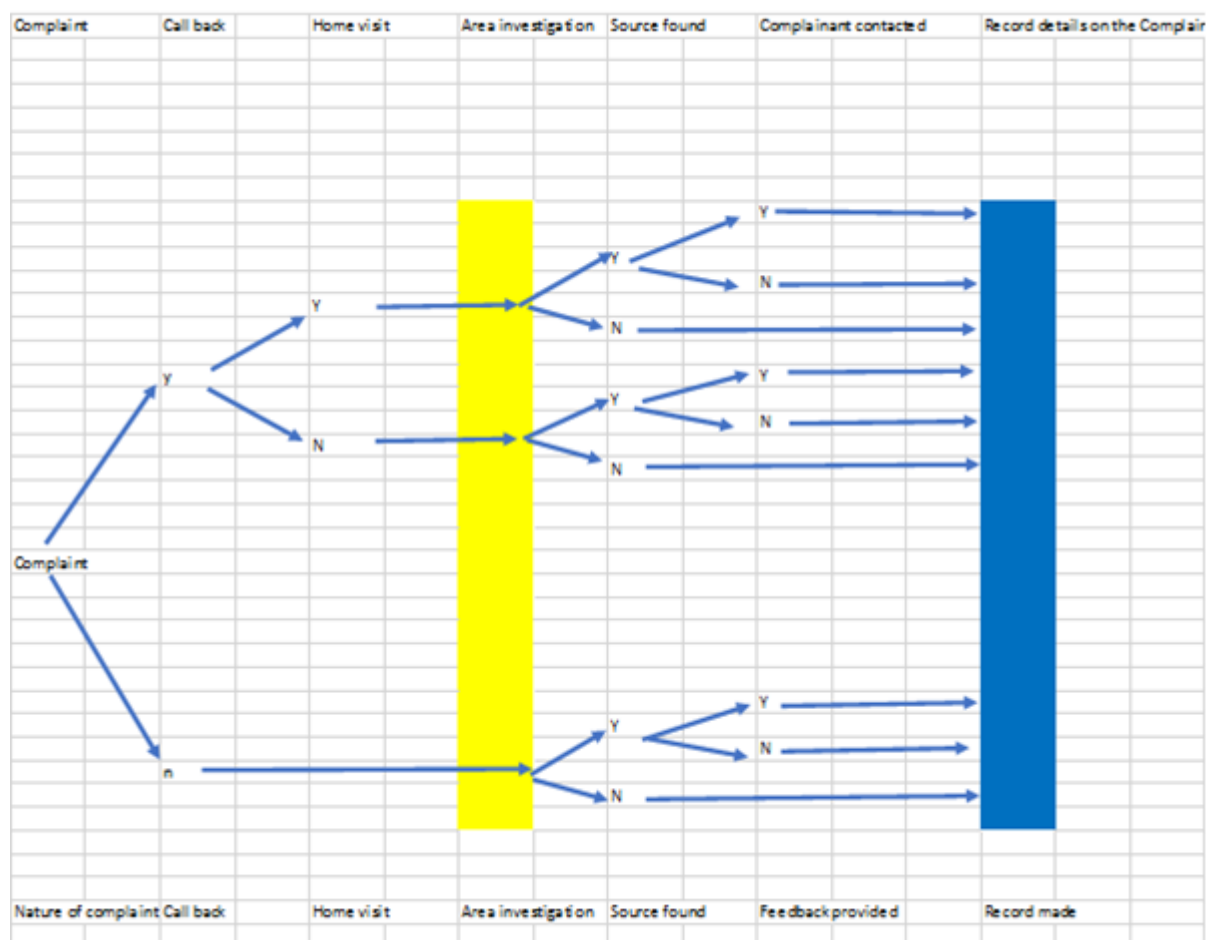
Tata Steel complaint handling procedure

1. Telephone complaints are handled by a call centre with which Tata Steel has an agreed contract. Complaints are typically received by telephone either to the call centre or to Tata Steel's general steelworks contact number. A smaller proportion (~15%) of complaints are

received as emails to Tata Steel's 'Community Support' mailbox - community.support@tatasteeleurope.com.

- Complaint details are recorded on a live spreadsheet, which is checked each weekday morning by Tata's SHE Team. Complaints are allocated to individual SHE Team members, who can also access and administer the Community Support mailbox as required.
- The SHE Team regularly transposes complaint details into Tata Steel's environmental complaints database. Common reference numbers are used to track complaints and cross-reference between the database and call centre spreadsheet.
- Complaints received initially by NRW and then passed to Tata Steel are normally captured as emails to the Community Support mailbox. The SHE Team is responsible for logging complaints received via this route on the live spreadsheet and the complaints database.
- SHE Team members aim to contact all callers who have requested a call back within 24hrs, but always within 72hrs. The need for further action e.g. a home visit is confirmed during this contact. Actions agreed/taken are captured using the complaints database.
- The SHE Team contacts individual works areas regarding relevant complaints which could potentially be associated with steelworks activities. The flow chart outlines the expectation that these works areas respond with satisfactory feedback within a 'reasonable' timescale.
- If the complaint can be attributed to steelworks activities, the SHE Team contacts the complainant to provide feedback (if this has been requested). Details are captured on the complaints database to allow accurate recording and closure of individual records.
- Tata Steel periodically reviews and trends complaint data to analyse and understand the main external environmental concerns. This analysis is regularly presented to NRW during quarterly complaint meetings and feeds into Tata Steel's annual improvement plans.

The flow chart within the work instruction already discussed reflects the actions described above. The flow chart can be viewed slightly differently:



The diagram above reveals an issue when a complaint cannot be attributed to a Tata Steel

(steelworks) activity. In this situation, no specific complaint feedback is provided by Tata Steel irrespective of whether the complainant requires it. This issue is discussed in more detail later in this report.

We are aware of an issue associated with some complaints which form part of an ongoing class action (legal proceedings) against Tata Steel, and we recognise this complicates elements of Tata's complaint handling. However, the active complaint work instruction (Revision 11) does not reflect this position, nor is there evidence of any supporting, temporary or modified procedure for this group of complainants. Any deviation from current procedure may be justifiable and legally defensible, but from an (EPR) permit compliance perspective this must first be agreed with NRW.

Review of example complaints

A sample of four complaints made directly to Tata Steel and two complaints received initially by NRW (and passed to Tata) were reviewed during this intervention:

Reference	Description	Call back	Home visit	Area investigation	Source attributed	Feedback	Recorded	Direct Indirect
4764	Bos Plant roof release	Yes	No	EIF raised for slopping but no link to the EIF system so could not easily be cross referenced	BOS plant	No evidence of feedback being provided	Closed out	Direct report
4921 (26/6/18)	Glitter on car overnight	Yes	Yes (28/6/18)	In complete on 31/7/2018	-	-	Backlog issue	Direct
4733 (8/5/18)	Fall out (By email)	No	No		Inconclusive	Not required by procedure	Closed out	Direct
478?	Red oxide dust			EIF raised	BF4 issue			Direct
4777 (29/5/18)	Dust on car window overnight	N/A as indirect						Indirect via NRW
4726	BF5 dust	N/A as indirect		EIF raised for fan tripping	Yes BF5	Tata generic feedback through skype call and quarterly complaint meetings	Closed out	Indirect via NRW

Our review triggered further discussion regarding feedback to complainants who are in dispute with Tata Steel. In our view, if the issue is a matter of fact e.g. a photograph showing an emission from a steelworks activity, ongoing legal proceedings should not prevent Tata Steel from explaining the cause of the emission and what has been done/is being done to rectify matters. Again, if the ongoing class action is having an impact on existing complaint handling procedures then Tata Steel needs to make it clear which elements are affected and what alternative arrangements are currently in place.

Following on from the earlier point about complaints with no attributable source or cause, the sample of complaints we reviewed confirmed that Tata Steel's current work instruction does not

require feedback to be provided in these situations. This could be perceived by complainants and others as Tata Steel refusing to engage or say anything in relation to the issue(s) raised. In NRW's view this is a missed opportunity to communicate Tata Steel's ongoing work to improve its environmental performance, while acknowledging that specific complaint investigations can be inconclusive. We acknowledge that adopting this approach could potentially place a greater burden on certain teams and departments, requiring more resources.

For complaints reported to NRW initially, Tata's work instruction does not differentiate these from direct complaints in terms of providing feedback. This in turn restricts NRW's ability to provide effective feedback, particularly for complaints which cannot be attributed to a source.

This intervention revealed some misunderstanding regarding the purpose of the regular complaints intervention which takes place on a quarterly basis. Tata personnel felt that these meetings – the most recent of which took place on 28 March 2018 – supported by issue-specific Skype and telephone discussion provided satisfactory feedback to the regulator. NRW acknowledges that the quarterly meetings serve a useful purpose, but they still do not allow satisfactory closure of specific complaint issues. Furthermore, the active version of the complaints work instruction states that 'Complaints via the NRW should also be responded to. This should be done by email and recorded on the database'. Tata Steel could not demonstrate that it had followed this part of its work instruction for recent environmental complaints in 2018.

It is recommended that the scope and terms of reference for future quarterly complaint interventions is reviewed at the next meeting (scheduled for December 2018), allowing Tata Steel and NRW to refocus and clarify each organisation's aims and expectations.

Returning to the sample complaints: record 4921 was an instance where there had been a delay in closing out the complaint. We established that this in part due to high numbers of complaints (100+/month) received around this time when hot, dry weather was prevalent for a sustained period. This led to associated pressures on Tata's SHE Team members and systems of working. Another contributing factor was an incomplete response from the relevant works area(s), which may rely on the SHE Team to chase up any missing information.

For another sample complaint (4764), the source was attributed to the BOS Plant, but the complaints database could not show that feedback had been provided.

The sustained period of hot, dry weather between May and August 2018 has influenced Tata's recent approach to environmental complaints. This compliance intervention was held in the SHE Team Meeting Room which has also functioned as a control centre over this period. Daily air quality and dust review meetings have been held and the information displayed on boards around the room reflected the data and information sources being used to manage Tata Steel's response. It was clear to us that the company has responded to elevated complaint numbers and challenging weather conditions, but this response may not be as apparent to the local community. Tata Steel needs to strike the right balance between tackling the issues at hand and communicating this externally; the lack of complaint feedback in some circumstances described earlier in this report is not helping matters.

Compliance assessment

Tata Steel could not provide evidence to show it was fully adhering to its agreed work instruction for environmental complaint handling, which forms part of its overarching Environmental Management System. The main areas of concern are:

- The existing work instruction (BLES-5BCEQS Revision 11 Sep 2017) does not capture and articulate the way in which Tata Steel deals with claims for redress because of perceived impact from steelworks activities. While we recognise there is a separate process and procedures for claims, the link between complaints and claims needs to be expressed more clearly.

- The existing work instruction does not explain the alternative arrangements being followed for complaints from individuals identified as being part of the ongoing class action against Tata Steel. Deviation from current agreed procedure may be justifiable and legally defensible, but from an (EPR) permit compliance perspective any changes must be presented to and agreed with the regulator.
- For complaints reported to NRW and then passed to Tata Steel, the work instruction does not differentiate these from complaints directed to the company in terms of providing feedback. There are also instances where the commitment to provide email (complaint) feedback to the regulator had not been met. This situation restricts NRW's ability to provide effective feedback.
- Incomplete works area feedback and complainant feedback records for some sample complaints we reviewed.

Taking all these conclusions into consideration, we are not satisfied that Tata Steel has fully complied with general management permit conditions 1.1.1 or 1.1.2. **This non-compliance has attracted one Compliance Classification Scheme (CCS) score of 3.**

NRW has an additional concern regarding complaints which are investigated but cannot be attributed to a Tata Steel (steelworks) activity. In this situation, no specific complaint feedback is provided by Tata Steel irrespective of whether the complainant requires it. In our view this is a missed opportunity to communicate Tata Steel's ongoing work to improve its environmental performance and could be perceived by complainants and others as Tata Steel refusing to engage on specific matters.

We recommend that the scope and terms of reference for future quarterly complaint interventions is reviewed in December 2018, allowing Tata Steel and NRW to refocus and clarify each organisation's aims and expectations.

NRW recognises the impact from the sustained period of hot, dry weather between May and August 2018, which has influenced Tata's recent approach to environmental complaint handling. This summer, the SHE Team has been dealing with 100+ complaints per month and it was apparent that this has led to associated pressures on team members and systems of working. Adapting and responding to such events may mean that more resources are required not only over a short-term period to directly address complaints, but also at a more strategic level to allow the potential root causes to be investigated.

Finally, it was clear to us that Tata Steel has responded to elevated complaint numbers and challenging dry weather conditions, but this response may not be as apparent to the local community. Tata Steel needs to strike the right balance between tackling the issues at hand and communicating this externally; the lack of complaint feedback in some circumstances described earlier in this report is not helping matters.

Areas for improvement

Below are subjects discussed during this intervention and where improvements to current processes and procedures could be made:

1. Tata's environmental complaints handling work instruction is currently under review. The new version – Revision 12 – offers an opportunity to incorporate changes to the existing procedure and flow chart e.g. reflecting arrangements for claims and/or class action cases. NRW is happy to work with Tata Steel to improve this document before the new version is agreed.
2. The revised work instruction should outline a process for dealing with environmental complaints received at weekends. Tata Steel needs to demonstrate it has a robust way of handling these periods beyond a check of call centre records on Monday morning. NRW needs to see evidence of a check or trigger which initiates a call to a Tata Steel Duty

Manager, for example in the event of multiple complaints over a short period.

3. Tata Steel must confirm the out-of-hours contact arrangements for Port Talbot steelworks should NRW duty staff need to speak to Tata personnel about an incident or event. A Tata Steel Duty Manager who is available 24/7 could be an appropriate contact. This issue has previously been identified in **CAR_NRW0033622***.
4. Tata's Community Liaison Specialist – a new role which has become part of the established SHE team – is leading a review of the call centre information gathering approach. The primary aims of the review are to capture better, more accurate complaint information and to clearly identify the purpose of the call e.g. claim v complaint. Tata would like to work with NRW on this subject and to share learning which could benefit both organisations.
5. Tata Steel IJmuiden works in the Netherlands employs a different approach to environmental complaint handling, albeit one which appears to be supported with greater resources compared to Port Talbot. At IJmuiden, an online portal is used to capture complaint information and assign case officers to individual complaints. Tata Steel Port Talbot could consider a similar online portal if the technology has already been developed and could be easily replicated.
6. Tata Steel is working to improve the ways in which it captures, records and transfers works area feedback e.g. EIF records. Transferability between systems and databases would be an advantage and could help make complaint handling easier.
7. To address the misunderstanding relating to the quarterly complaint meetings, Tata Steel could provide a monthly spreadsheet confirming if specific complaints have been attributed (or not) to steelworks activities. This would go some way to satisfying the compliance issue identified above and would allow NRW to provide informed feedback. Alternatively, email feedback for individual complaints (or groups of duplicate complaints) could be reinstated.

Progress against the above areas should be reviewed by Tata Steel and NRW at the next scheduled quarterly complaints intervention in December 2018.

**Update 07/11/18: Tata Steel has proposed a contact arrangement for out-of-hours complaints received by NRW. NRW will contact the SHE Team to agree the final version of this arrangement.*

Other matters

Prior to the complaints audit, the inspecting officers conducted a general visual check for fugitive dust from the main steelworks production areas. Our key observations were:

- Visual appearance of Morfa Coke Ovens / BOS Plant / Sinter Plant / Blast Furnaces and their associated emissions was satisfactory
- We noted some dust lift-off from the site road network around the Sinter Plant. Our concerns were communicated to the SHE Team.
- Some wheel washes at the stockyards appeared inactive. The SHE Team confirmed at least one wash was under repair at the time of inspection.
- We witnessed a fog cannon in operation near the Blast Furnaces. The SHE Team confirmed more cannons had been ordered.

Fugitive dust management and control has been the subject of a series of targeted compliance interventions in 2017/18 and will remain an area of focus for the foreseeable future.

[ENDS]

EPR Compliance Assessment Report

**Report ID:
CAR_NRW0034061**

This form will report compliance with your permit as determined by an NRW officer

Site	Port Talbot Steel Works	Permit Ref	BL7108IM
Operator/Permit holder	Tata Steel UK Limited	Date	31/07/2018

Section 3 – Enforcement Response

You must take immediate action to rectify any non-compliance and prevent repetition. Non-compliance with your permit conditions constitutes an offence and can result in criminal prosecutions and/or suspension or revocation of a permit. Please read the detailed assessment in Section 2 and the steps you need to take in Section 4 below.

In respect of the above non-compliance you have been issued with a warning. At present we do not intend to take further enforcement action. This does not preclude us from taking additional enforcement action if further relevant information comes to light or offences continue.

Section 4 – Action(s)

This section summarises the actions identified during the assessment along with the timescales for when they will need to be completed.

Criteria Ref.	CCS Category	Action required/advised	Due Date
See Section 1 above			
F5	X	Ensure site road network around sinter plant is regularly swept and watered to control fugitive dust lift-off and emissions.	01/03/2019
C2	C3	i) address the areas identified for improvement in this CAR; ii) improve and maintain record keeping to demonstrate compliance with condition 1.1.1	01/03/2019

Section 5 – Compliance notes for the Operator

To ensure you correct actual or potential non-compliance we may

- Advise on corrective actions verbally or in writing
- Require you to take specific actions verbally or in writing
- Issue a notice
- Require you to review your procedures or management system
- Change some of the conditions of your permit
- Decide to undertake a full review of your permit

Any breach of a permit condition is an offence and we may take legal action against you

- We will normally provide advice and guidance to assist you to come back into compliance either after an offence is committed or where we consider that an offence is likely to be committed. This is without prejudice to any other enforcement response that we consider may be required.
- Enforcement action can include the issue of a formal caution, prosecution, the service of a notice and/or suspension or revocation of the permit.

See our Enforcement and Civil Sanctions guidance for further information

This report does not relieve the site operator of the responsibility to

- Ensure you comply with the conditions of the permit at all times and prevent pollution of the environment
- Ensure you comply with other legislative provisions which may apply

Non-compliance scores and categories

CCS category	Description	Score
C1	A non-compliance that could have a major environmental effect	60
C2	A non-compliance which could have a significant environmental effect	31
C3	A non-compliance which could have a minor environmental effect	4
C4	A non-compliance which has no potential environmental effect	0.1

Operational Risk Appraisal (Opra) - Compliance assessment findings may affect your Opra score and/or your charges. This score influences the resource we use to assess permit compliance.

Section 6 – General information

Data protection notice

The information on this form will be processed by the Natural Resources Wales (NRW) to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s). The NRW may also use and/or disclose it in connection with:

- Offering/providing you with its literature/services relating to environmental matters
- Consulting with the public, public bodies and other organisations (eg. Health and Safety Executive, local authorities) on environmental issues
- Carrying out statistical analysis, research and development on environmental issues
- Providing public register information to enquirers
- Investigating possible breaches of environmental law
- Assessing customer service satisfaction and improving its service
- Freedom of Information Act/Environmental Regulations request

The NRW may pass it on to its agents/representatives to do these things on its behalf. You should ensure that any persons named on this form are informed of the contents of this data protection notice.

Disclosure of information

The NRW will provide a copy of this report to the public register(s). However, if you consider that any information contained in this report should not be released to the public register(s) on the grounds of commercial confidentiality, you must write to your local area office within fifteen working days of receipt of this form indicating which information it concerns and why it should not be released, giving your reasons in full.

Customer charter

What can I do if I disagree with this compliance assessment report?

If you are unable to resolve the issue with your site officer, you should firstly discuss the matter with officer's line managers using the informal appeals procedure. If you wish to raise your dispute further through our official Complaints and Commendations procedure, phone our general enquiry number 0300 065 3000 (Mon to Fri 08.00 – 18.00) and ask for the Customer Contact team or send an email to enquiries@naturalresourceswales.gov.uk. If you are still dissatisfied you can make a complaint to the Public Services Ombudsman for Wales. For advice on how to complain to the Ombudsman phone their helpline on 0845 607 0987.

Welsh Language

If you would like this form in Welsh please contact your Regulatory Officer.