

Compliance Assessment Report

Report ID:
CAR_NRW0034078

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

Site	Llanelli Tin Recovery Works	Permit Ref	BM2381IQ		
Operator/Permit holder	AMG Resources Ltd				
Regime	Installations				
Date of assessment	08/06/2018	Time in	12:00	Out	14:30
Assessment type	Unknown				
Parts of the permit assessed	1.1.1 and 4.3.1				
Lead officer's name	Jenkins, Nicholas				
Accompanied by	Evans, Gary Lewis				
Recipient's name/position	Paul Tobin/ Accounts Manager	Date issued	20/11/2018		

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
C2 - General Management - Management system and operating procedures	C2	1.1.1(a)
G4 - Monitoring and Records, Maintenance and Reporting - Reporting and notification to Natural Resources Wales	C3	4.3.1(a)(i)

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	2	Total compliance score (see section 5 for scoring scheme)	35
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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

Background

In 1988, AMG Resources Ltd (AMG) acquired the metals division of Vulcan Materials Company (U.K.) Ltd who operated the site in Llanelli and in 2003 the operator was required to apply for an environmental permit regulated at the time by the Environment Agency (EA).

AMG is a regulated facility permitted under the Environmental Permitting (England and Wales) Regulation 2016. Although the Llanelli site has been operational since 1911 the existing processes have changed very little i.e. the detinning of scrap tinplate by a chemical process and the recovery of the tin from the liquors via an electrochemical process. There have been no significant changes to the way the operator ran the plant from 2003 onward and most of the changes to the permit were minor and initiated by the EA.

In November 2014 AMG ceased the detinning operation and its focus changed to concentrate on the shredding, washing and baling of the same raw materials/waste as it had historically accepted. The electrochemical process, the associated storage and the use of chemicals also ceased. No amendments to the permit were made to reflect this change. We accepted this, and the activities were not amended.

Although the permit was varied in June 2017 to implement the Industrial Emissions Directive (IED), the permitted activities remained the same as the operator was unclear as to whether it would restart the detinning operation. Other parts of the permit were altered to bring it in line with IED and the requirements of a modern permit, since the original permit had limited changes since it was issued in 2003.

Regardless of the changes in 2017, there remained a number of conditions within the permit that required the operator to notify Natural Resources Wales immediately if its activities were giving rise to an incident which significantly affects or may significantly affect the environment. In addition, in the event of a breach of permit condition which poses an immediate danger to human health or threatens to cause an immediate significant adverse effect on the environment, the operator must immediately suspend the operation of the activities or the relevant part of it until compliance with the permit condition has been restored.

An overarching condition which is consistent at all permitted installations is that the operator shall operate the activities in accordance with a written management system.

From 22 May 2018 Carmarthenshire County Council (CCC) received complaints of flies^[1] from residents living adjacent to AMG. This issue of flies was first reported both in local and national news around 30 May 2018 - <https://www.bbc.co.uk/news/uk-wales-south-west-wales-44304159> <https://www.bbc.co.uk/news/uk-wales-south-west-wales-44329743> <https://www.bbc.co.uk/news/uk-wales-south-west-wales-44364208>. CCC were actively investigating to find the source which led them to AMG in Llanelli.

According to EPR a pollution is defined as:

any emission as a result of human activity which may—

- a. be harmful to human health or the quality of the environment,
- b. cause offence to a human sense,
- c. result in damage to material property, or
- d. impair or interfere with amenities or other legitimate uses of the environment;

Types of waste accepted at the installation

There are two main sources of the tinplate waste that AMG utilise in the tin recovery process from:

Can Manufacturers

Wastes are received from tin can/ box manufacturers. Most of the waste received is in the form of reject cans. Other forms include offcuts, cuttings, stampings, sheets and pre-shredded scrap. The waste usually comes in bales but can also be received loose.

Other tinplate waste comes from tin-coated steel and tin free steel which is usually contaminated with paper, plastic, wood and general dirt. The material is stored on open ground

Used Cans

AMG receives used cans that have been collected through various recycling schemes. These include cans arising from Local Authority kerbside collections, can banks and voluntary groups. The cans are supplied in loose form, flattened and baled. The facility receives tin coated, tin free and aluminium cans. The cans can be contaminated with general dirt, paper, plastic, wood and food residues. The waste is stored on open ground.

Although there was an indication during the application for the environmental permit that contamination of the cans was likely, it was considered unnecessary to include a pest condition which would have been a

standard condition for permitted sites that had a risk of generating such pollution.

AMG keep the two main sources of wastes separate but both are stored in the north area of the installation.

Chronology of events

Between 3 May 2018 and 22 May 2018, AMG took receipt of approximately 151T of waste from Ampthill Metal Co. Ltd (Ampthill), a metal recycling facility in Bedfordshire regulated by the EA (EAWML 70030). The waste was received at AMG under the European Waste Catalogue code 19.12.02 (Ferrous Metal from the mechanical processing of waste) and was described as baled tin plate by Ampthill.

Ampthill had brokered the deal for the waste which had originated at Amey Cespa Waste Recovery Park in Milton Keynes (Amey), a site regulated by the EA under permit reference UP3937ZZ. Amey is a mechanical treatment plant that can process up to 140,000 tonnes per annum of municipal, industrial and commercial residual waste. Amey is enabled to remove recyclates from waste, and it can extract up to 36,000 tonnes of organic waste per annum.

We became aware of a fly issue in Llanelli through national media and consequently we were contacted by the operator 04 June 2018 to advise us that it had become aware of the attention and as a precaution it was splitting and spraying waste bales that it had received. The bales were classified as used cans and at that stage were considered to have been sourced from a materials recycling facility. AMG had informed us that it had accepted around 100-250T of the baled waste but also stated that it had not received any contact from CCC. We discussed AMG's operating procedures for the acceptance of non-conforming waste and we were advised that non-conforming loads would be rejected and returned to the source. We were satisfied at that time, that AMG was not considered the source of the fly infestation. This information was relayed to the south west Industry Regulation team leader.

7 June 2018, CCC contacted us to advise that it had visited the AMG installation that day. CCC also informed us that it had previously visited the installation. During CCC's inspection of fly traps on 4/5 June which it had placed around the perimeter of the plant, it had identified waste bales that had been opened by the operator. CCC advised that AMG was spraying bales to minimise the number of flies present in the waste bales.

During CCC's inspection of AMG 7 June 2018, it was accompanied by Killgerm Chemicals Ltd (Killgerm), a consultancy CCC had employed that specialised in the speciation of flies. Killgerm's investigation was not specific to AMG but included visits to another potential breeding site but this source was approximately 1.5km from the infected area and the controls the operator displayed for minimising offsite pollution were deemed to be appropriate.

Killgerm's observations of AMG processing used can waste were considered likely to produce flies. It based this opinion on the likely proportion of organic matter contained within the bales that would provide a suitable substrate for insects to breed i.e. 1% of organic matter in 1 tonne bales. In addition, adult flies (20+ per bale) were noted to be accumulating on these bales which appeared to be common houseflies and fly pupae. However, no larvae could be found and Killgerm suggested that eggs/larvae were brought onto the site and had since developed into further life-stages.

Killgerm primarily recommended that the material is to be removed to prevent on-going fly development and that a thermal fogging treatment to be carried out. AMG had previously contracted Pest Force (UK) Ltd (Pest Force) to undertake the fogging which was carried out 31 May 2018 or 1 June 2018; 3 June 2018 and 7 June 2018.

8 June 2018, NRW visited AMG to undertake an investigation which focused on the likelihood that AMG was the source of the flies and to understand whether there had been a breach of permit conditions that resulted in a possible release of flies into the environment. We carried out an inspection of the waste piles and asked questions relating to the source of the waste, how much was on site and to ensure the material was removed from site to an authorised facility as soon as practicable.

During the investigation we identified that Pest Force had been onsite late May/Early June 2018 in response to an emergency call out instigated by AMG. The paperwork provided to AMG by Pest Force stated that "there is a fly issue on some of the material waiting to be processed". It required that the material is to be sprayed and recommended moving the waste so that it could be easily accessed and to treat opened up areas [opened bales].

Pest Force attended site again 3 June 2018 in response to an additional call out. It had identified that some of the waste had been removed. The waste was sprayed, and it recommended that the waste is continued to be sprayed at weekly intervals. Pest Force returned to AMG: 9; 11 and 14 June 2018. Between 9 June and 11 June 2018, AMG removed approximately 185T of the waste to EPS Materials Recovery Limited (EPS) in King's dock, Swansea under the EWC 19.12.02. EPS is a NRW regulated facility permitted to accept and process metal.

Additionally, 100T was moved from the AMG site on 12 and 13 June 2018. This was transported from AMG by G Griffiths under its waste carrier license (Ref CBDU13285). The EWC code for this series of transfers was 15.01.04 – Metal packaging.

We continued to return to site to oversee the removal of the infested waste 14 June; 22 June and 28 June 2018. All waste designated by CCC as potentially harbouring flies, was removed.

AMG's Quality Management System, which controls many aspects of the way the plant should be operated, has a specific procedure i.e. QAP 8 entitled 'Non-conformance and corrective actions' (dated 16 June 2017 and authorised by AMG's responsible officer). This suggests that its purpose is for "ensuring the quality of material leaving the site" but in the procedures summary it is specific to identification, segregation and disposition of non-conforming waste found on receipt during processing and at final

inspection.

It outlines in section 4.1 that non-conforming waste found on receipt is identified and placed into an appropriate area “pending disposition”. Incoming waste is checked visually for large quantities of foreign matter on receipt and during tipping and if found to be contaminated the waste is transferred to “an appropriate area who decides on disposition”. It appears that the actions expected to be implemented upon the identification of non-conforming waste were not undertaken.

Conclusion

We cannot categorically state that AMG was the cause of the flies however, it is likely that the waste material it brought onto the site which was contaminated with organic waste would have harboured and contributed to the local pest infestation.

The failure to inform NRW immediately of the infestation was not the cause of the pollution. AMG’s failure to deal appropriately with the waste subsequent to it being accepted onto the site was the root cause. The scale of the pollution and its impact upon human health was significant and therefore the response to this needs to be reflected.

We recognised that the permit was not reflecting the current operations and we placed a requirement on AMG to submit a review of its permit to incorporate any changes. This permit review will be a substantial variation and we have instructed AMG to submit a pest management plan (PMP) with the application. This PMP will be reviewed by CCC environmental health department and we have sought the expertise of an external consultancy.

A score will be given for the breach of permit condition(s) specified below:

- 1.1.1(a) – score 31 points Category 2 (significant) breach
- 4.3.1(a) – score 4 points Category 3 (minor) breach

1.1.1(a) requires the operator to manage and operate the activities in accordance with a written management system that identifies and minimises the 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.

4.3.1(a) states that in the event that the operation of the activities gives rise to an incident or accident which significantly affects or may significantly affect the environment, the operator must immediately inform us.

[END]

EPR Compliance Assessment Report

**Report ID:
CAR_NRW0034078**

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

Site	Llanelli Tin Recovery Works	Permit Ref	BM2381IQ
Operator/Permit holder	AMG Resources Ltd	Date	08/06/2018

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			
G4	C3	Permit to be reviewed and an area of quarantine to be identified, which is undercover and able to minimise the risk of future pest issues.	31/12/2018
C2	C2	Permit to be reviewed following the submission of an application to bring it in line with a modern permit with appropriate conditions.	31/12/2018

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.