

Compliance Assessment Report

Report ID:
CAR_NRW0026392

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

Site	Haverfordwest Creamery	Permit Ref	XP3830UR		
Operator/Permit holder	The First Milk Cheese Company Ltd				
Regime	Installations				
Date of assessment	16/05/2016	Time in	10:00	Out	14:00
Assessment type	Audit				
Parts of the permit assessed	1 Management; 2 Operations; 3 Emissions & Monitoring; 4 Information				
Lead officer's name	Cowie, Douglas				
Accompanied by					
Recipient's name/position	Colin Reed/ Safety, Health & Environment Manager	Date issued	27/02/2017		

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 - Infrastructure - Specified by permit	A	
B1 - Infrastructure - Engineering for prevention and control of emissions	X	
B5 - Infrastructure - Plant and equipment	A	
C1 - Infrastructure - Staff competency/training	A	
C2 - Infrastructure - Management system and operating procedures	C3	1.1.1 General Management
F1 - Infrastructure - Odour	A	
G1 - Infrastructure - Monitoring of emissions and environment	A	
G2 - Infrastructure - Records of activity, site diary/journal/events	A	
G4 - Infrastructure - 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
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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

Site description

The First Milk Cheese Company Ltd operates a milk processing and cheese production facility at Haverfordwest Creamery, Merlins Bridge, Haverfordwest. The company is a subsidiary of First Milk Ltd, the UK's largest dairy farmer co-operative. The facility is permitted as an installation under Section 6.8 (The Treatment of Animal and Vegetable Matter and Food Industries) of the Environmental Permitting Regulations (EPR). Milk from approximately 300 local farms is pasteurised and processed at the installation to produce a range of cheeses and whey products. As of 2014 the installation operates its own on-site effluent treatment plant (ETP) which receives and treats foul water and effluent from the installation. The final treated effluent is discharged to the Western Cleddau. First Milk are developing a nutrient off-set scheme to mitigate the potential impact of the discharge through a programme of environmental improvements at its member farms.

Purpose of visit/assessment

This was a planned visit to the First Milk Cheese facility. An inspection of the ETP was undertaken as part of the visit. The following matters have been covered in this report:

- ETP inspection and status of Odour Management Plan (OMP)
- Staff changes at First Milk Cheese
- Overview of key regulatory requirements and expectations
- Environmental Management System (EMS)
- Monitoring, reporting and notifying
- New site developments
- Food and Drink industry sector objectives 2016/17

Person(s) present

First Milk Cheese Paul Rowe

NRW Doug Cowie

Colin Reed

Severn Trent Services Darren Clapson

ETP inspection

The ETP was inspected as part of this visit. Since NRW's last visit, a retractable plastic/polycarbonate cover has been fitted to the Dissolved Air Flotation (DAF) clarifier unit. This cover is intended to minimise fugitive odour emissions from the DAF. Neoprene-type rubber flaps have also been placed over the unit's vents and openings. The cover and flaps need to be removed before the unit is cleaned.

The new cover appears fairly robust and should be easier for STS to work with compared to the previous tarpaulin cover. Slight, localised odours were noted around the DAF at the time of inspection but I did not consider these to be offensive. No odour was noted off-site. The new polycarbonate cover and an example of a rubber flap are shown in the photographs below.



The inspecting officer noted a build-up of condensation on the inner surface of the plastic cover. There may be the potential for harmful microorganism growth in such warm, damp, sunlit conditions combined with an abundance of organic material. Regular cleaning of the unit may mitigate this problem, but there remains the potential for increased odour emissions when the cover is removed for cleaning. The DAF is now cleaned once per week using jet wash equipment.

NRW will monitor the performance of the new cover during 2016. Should we receive further odour complaints that are investigated, substantiated and attributed to the DAF unit, a review of the current arrangements will be necessary. NRW cannot formally approve the new arrangements at this time but it appears to be a positive step in the right direction.

The operator is reminded that the applicable regulatory requirements for odour prevention, minimisation and abatement may change as the revised [Waste Treatment BREF](#) and BAT Conclusions are developed. The final published BREF and BAT Conclusions may include a requirement to contain, collect and treat odorous emissions from DAF units.

Planning

The planning position in respect of the ETP still requires clarification. It is understood that First Milk Cheese intends to write to Pembrokeshire County Council (PCC) regarding certain conditions contained in planning permission 12/1073/PA which relate to odour control. NRW will liaise with First Milk Cheese and PCC officers as required to resolve these conditions.

MBRs

The performance of the four membrane bio-reactors (MBRs) at the far end of the aeration lanes has improved since our last visit. Airflow through the units is better following some reconfiguration work.

Sludge transfers and portable carbon filters

STS personnel are monitoring use of the portable activated carbon filters available for use by sludge tanker drivers (mitigation measure M1). During sludge transfers, drivers should be connecting these carbon filters to their tankers to minimise odour emissions. STS confirmed that sludge transfers usually take place between 0800 – 1630hrs on weekdays.

The inspecting officer is not satisfied that appropriate systems and procedures are in place to ensure tanker drivers always connect their vehicles to the portable carbon filters. STS operators should be present to supervise this activity and ensure the filters are being used correctly. The activity should be recorded and signed off to show the filters have been used. STS operators and contracted tanker drivers should be familiar with system in order to operate it correctly. STS and First Milk agreed to take this forward and review the ETP Odour Management Plan (OMP) if required to reflect appropriate measures for sludge transfer activities.

ACTION: STS and First Milk Cheese to provide evidence, including but not limited to training records and example sign-off sheets, to show that appropriate measures are being used to minimise odour emissions from sludge transfer (tankering) activities. The OMP should be reviewed and updated if required to reflect these arrangements. The necessary evidence should be submitted to NRW by 28 October 2016.

Since our inspection, we have received a copy of a letter dated 23 May 2016 from STS to a third party sludge tanker contractor in which some changes to tanker operations are outlined. The letter confirms that sludge tankering will become a supervised activity and can only be done in the presence of an STS operator. However NRW has yet to receive any additional evidence i.e. training records and example sign-off sheets to show that appropriate measures are being used to minimise odour emissions from sludge transfers.

We have recorded one **CCS Category 3** score for non-compliance with permit condition 1.1.1 (management procedures and systems to ensure appropriate measures to prevent or where not practicable minimise odour from the permitted activities), as NRW does not consider that mitigation measure M1 had been fully implemented at the ETP at the time of inspection.

New carbon filter drums are on order to replace the existing ones as their filter media degrades. STS are incorporating these into their Preventative Maintenance Programme (PMP) (mitigation measure M4).

Sludge thickener

The sludge thickening unit is not currently in use but remains on STS' PMP and is periodically checked. A drain cover has now been fitted to the discharge pipe to minimise fugitive odour emissions from this location. The pipe has also been extended below the drain (mitigation measure M2).

DAF sludge tank

STS has received a quotation for a new larger capacity odour filter at the DAF sludge tank. This requires further follow up to ensure an appropriate odour abatement system is in place for this tank (mitigation measure M3).

ACTION: STS to confirm when the new larger capacity filter for the DAF sludge tank is in place and operational. NRW expects this to be in place by 28 October 2016.

Odour Management Plan (OMP)

The ETP OMP is already being reviewed following comments offered by NRW on version 1.0 (see CAR_NRW0019579). The operator confirmed an updated OMP will be submitted to NRW by 29 July 2016.

Staff changes at First Milk Cheese

Colin Reed introduced himself as the new Safety, Health & Environment Manager at First Milk Cheese Haverfordwest. Colin takes over the duties and responsibilities previously held by Simon Matthews and will act as NRW's primary point of contact for the installation. NRW will update its site contact details.

An overview of the key regulatory requirements applying to the installation and confirmation of NRW's expectations was provided in the following sections.

Key regulatory requirements and expectations

NRW has a specific duty to ensure that the conditions of the operator's EPR permit are not breached and that the permitted activities do not cause pollution of the environment. NRW takes this responsibility very seriously and its officers will undertake detailed site inspections during which the operator's management system, procedures and activities will be audited. The frequency of inspection will be determined using a risk-based approach.

Due to the complexity of industrial installations and the need to access site records and systems to complete our regulatory work, the majority of visits are likely to be pre-arranged. On occasion visits may however be unannounced and also outside normal working hours, for example in response to any complaints or pollution incidents. Although NRW and its warranted officers have specific statutory powers to enable it to carry out these duties, co-operation from the operator is expected.

Following an inspection or audit of the installation, a copy of NRW's report will be provided to the operator in the form of a **Compliance Assessment Report (CAR)**. An electronic version of the report is usually emailed to the site. The CAR will contain a summary of the visit and detail any remedial actions which may be required. CAR forms will also be completed for all monitoring returns and operator notifications e.g. emission limit exceedances. The operator is expected to respond to any actions/queries detailed within our CAR reports in writing and in a timely manner. Occasionally specific deadlines will be included.

If any breaches of permit conditions are found during our compliance assessment, each non-compliance will be scored in accordance with our **Compliance Classification Scheme (CCS)**. This scheme categorises permit non-compliance based on the potential to cause environmental damage. This damage is related to the impacts described in

our Common Incident Classification Methodology (CICS) - ranging from Category 4 (no potential to cause an environmental impact) to Category 1 (has the potential to cause a major environmental impact). Further information on CCS and CICS is available on our [website](#) and in Section 5 of this CAR report.

NRW will take action in accordance with its Enforcement and Prosecution Policy against any operator found to be breaching conditions of its environmental permit. Details of our Enforcement and Prosecution Policy are available on our [website](#).

NRW is required to maintain comprehensive registers of information and correspondence relating to the permitting process and the supervision of permitted activities. These registers are open for scrutiny by the public and contain, for example, copies of permits, application documents, monitoring data, legal notices and copies of CAR forms. An operator may apply to NRW to have certain information excluded from the public register if it believes it to be commercially confidential. NRW will consider any such applications and decide if this is the case.

A key guidance document which may assist with compliance is [How to comply with your Environmental Permit](#) (version 8, October 2014). This technical guidance describes the standards and measures we expect businesses to take in order to control the risk of pollution to air, land and water from the most frequent situations in waste management and process industries. Each section gives an overview of the typical permit condition(s) with which the operator must comply and provides guidance on how to comply.

Where a condition requires the operator to take appropriate measures to secure a particular objective, we will expect them to use, at least, the measures described in the relevant guidance which are appropriate for meeting the objective. It is likely that there are already site specific measures within in the agreed operating techniques, but further measures will be necessary if the objectives are found not to be met.

NRW has also published some additional How to Comply guidance written specifically for the Dairy and Milk Processing industry sector – EPR 6.13 (version 2, October 2014). This can also be downloaded from NRW's [website](#).

Environmental Management System (EMS)

The management condition of your environmental permit and your written environmental management system (EMS)

are key for assessing how effectively you are protecting the environment and help to improve how you manage the environmental risks from your activities.

You must run your activities according to your EMS, and improve it if you are not compliant. The EMS must be in place once your site is operational and available to us when we ask to see it. The content of your EMS depends on the risk and complexity of your activities. It must identify the risks to the environment from your activities and explain in detail the measures you will take to prevent or minimise those risks. An effective management system will enable you to manage compliance with your permit and any other legal requirements to protect the environment.

You, as the site operator, are responsible for writing your management system. You must ensure that everyone on site follows the procedures. Staff and contractors must be aware of the permit requirements, have access to the permit and management system, any relevant standard rules and understand how the site management system works.

If you are not complying with the control measures in your management system we will take that into account when we assess compliance with your permit. We will look at any non-compliance as a symptom of poor management and we will focus on correcting poor performance through improved management systems and practices. Our regulatory staff may review your management system and appropriate measures on site as part of any compliance work.

[How to Comply](#) provides further guidance on the types of EMS that are appropriate. ISO 14001 and EMAS are examples of management systems which are commonly used for regulated industrial activities. It is understood that Haverfordwest Creamery operates in accordance with ISO 14001 certification.

Monitoring, reporting and notifying

There are a number of requirements relating to the monitoring and reporting of environmental emissions from the installation.

The **monitoring** requirements in relation to **emissions to air** are confirmed in Schedule 3 Table S3.1 of the permit,

which confirms annual stack testing is required at emission points A1 – A3 (Boiler 1, 2 & 3).

There are multiple **monitoring** requirements in relation to **emissions to water** which are confirmed in Schedule 3 Table S3.2 of the permit. W2 is the most critical emission point (treated discharge from ETP). Effluent flow, pH and temperature need to be monitored continuously. A number of listed substances (BOD, Suspended Solids, Ammonia, Total Phosphates, Iron and Aluminium) need to be monitored weekly. Annual mass balance compliance limits are set for two other substances (Cadmium and Mercury).

The **reporting** requirements for the above environmental monitoring of **emissions to air and water** are confirmed in Schedule 4 Table S4.1 of the permit. The reporting frequency for emissions to air is every 12 months. For emissions to water the reporting frequency is every 6 months. Condition 4.2.3 requires the results of this monitoring to be submitted to NRW within 28 days of the end of the reporting periods specified in Schedule 4.

There are also certain environmental performance and production parameters such as water usage, energy usage etc. that require reporting annually (by 31 January). Section 4.2 and Schedule 4 Tables S4.2, S4.3 of the permit confirm these requirements.

The forms to be used for reporting monitoring and performance data to NRW are specified in Schedule 4 Table S.4.4 of the permit.

A key element of permit compliance relates to **informing and notifying** the environmental regulator about permit breaches, pollution incidents and accidents. Section 4.3 of the environmental permit requires the operator to inform NRW without delay in any of these circumstances.

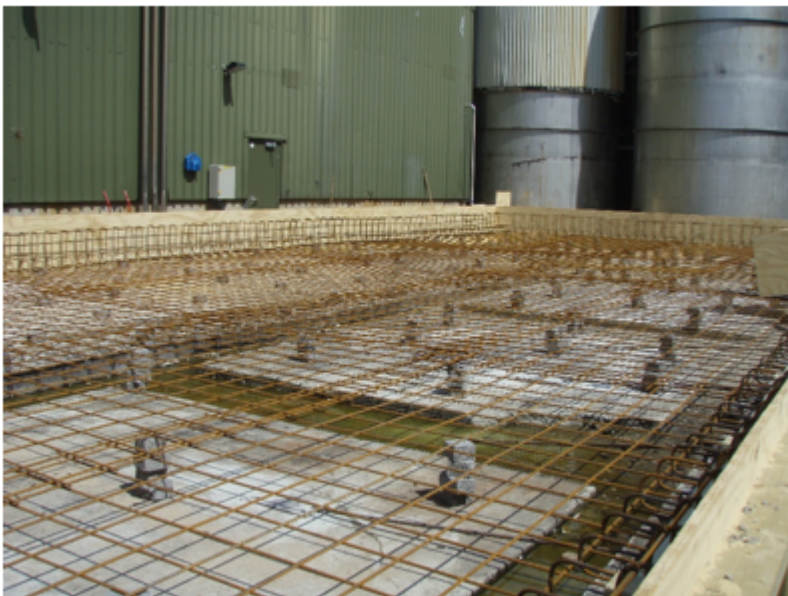
Schedule 5 of the permit lists the information that the operator must provide to satisfy the conditions in Section 4.3. Schedule 5 is divided into Part A (initial information) and Part B (to be submitted as soon as practical following internal investigations, re-sampling etc.)

Note that the only circumstance in which the operator must use a Schedule 5 to notify NRW is if any emission limits are breached. **These breaches must be notified within 24 hours of detection.** In all other circumstances a telephone call or an email to the site officer (inside office hours) or NRW Pollution Hotline (0800 80 70 60, outside office hours) will suffice. The operator is advised to email a copy of any electronic notifications to industryregulation.swwales@naturalresourceswales.gov.uk

The operator should contact the regulating officer if he/she has any queries regarding the notification requirements specified in the permit or there is any uncertainty as to whether a Schedule 5 is needed.

New site developments

The former fuel oil storage area near the boilers has now been fully decommissioned. First Milk Cheese are constructing a base for a new Cleaning In Place (CIP) unit at the same location. The new CIP unit or 'kitchen' will be sited within a bunded concrete base built over the existing concrete slab. Once the new CIP unit is operational First Milk intend to decommission and then demolish the old CIP house. A photograph showing the new concrete base with steel reinforcing rods is shown below.



Guidance has previously been provided by NRW regarding ground assessments and recording of pollution incidents that may have had an impact on land. It is understood the concrete base under the former fuel tanks was found to be intact and no visual contamination was evident. NRW has suggested retention of pictorial evidence of the bund condition following clean-up and a documented assessment of the likelihood of ground contamination.

The inspecting officer has provided First Milk Cheese with technical guidance concerning the construction of containment systems such as tank bunds. [CIRIA C736](#) has been developed to assist owners and operators of industrial and commercial facilities storing substances (inventories) that may be hazardous to the environment.

CIRIA C736 comprehensively covers the design and construction of in situ reinforced concrete bunds (Chapter 7) and the sizing principles that should be applied (Chapter 4). Section 6.3.2 discusses drainage within bunds and the use of sumps. Care should be taken over sump construction to ensure that it is not a potential source of leakage.

For multiple tanks, as a minimum the secondary containment (bund) should be capable of storing 110% of the biggest tank's capacity or 25% of the total capacity, whichever is the greater. CIRIA C736 examines this in more depth than previous published guidance and talks about using a risk assessment based on credible accident or tank failure scenarios to determine the appropriate bund capacity.

Food and Drink sector objectives 2016/17

The inspecting officer provided an overview of NRW's main regulatory objectives for the Food & Drink Industry Sector in 2016/17:

- Review of site accident management plans including flood risk assessment
- Review of primary and secondary containment for potentially polluting materials
- Review of odour management and control measures

The following are also areas of focus and interest for Food and Drink installations:

- Resource efficiency and greenhouse gas reduction

- Amenity impacts (noise, odour, dust, litter, pests)

The European Commission's Best Available Techniques (BAT) reference document or 'BREF' for the Food, Drink & Milk (FDM) sector is not yet in draft. Once the draft is published, First Milk Cheese will need to assess its techniques against BAT as outlined in the draft FDM BREF. The anticipated publication date of the draft FDM BREF is not yet available but NRW will keep First Milk Cheese informed of any developments. Further information about the FDM BREF and the review process can be found here: <http://eippcb.jrc.ec.europa.eu/reference/>

For the ETP, NRW will also consider the Best Available Techniques Associated Emission Levels (BAT-AELs) contained in the EC Waste Treatment BREF, which is currently a working draft document (Draft 1, December 2015). The draft Waste Treatment BREF can be viewed here: http://eippcb.jrc.ec.europa.eu/reference/BREF/WTbref_1812.pdf

BAT 15 (Chapter 6, pages 895-896) confirms the BAT-AELs currently being considered for direct discharges to water from waste treatment installations. We are mindful that these preliminary BAT-AELs may change or become tighter as the draft Waste Treatment BREF is developed further.

NRW will also consider the ecological status of the receiving waterbody (Western Cleddau) and any applicable content from other relevant BREF documents (Food, Drink & Milk BREF) when setting limits for the ETP discharge.

[ENDS]

EPR Compliance Assessment Report

**Report ID:
CAR_NRW0026392**

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

Site	Haverfordwest Creamery	Permit Ref	XP3830UR
Operator/Permit holder	The First Milk Cheese Company Ltd	Date	16/05/2016

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.

Other than the provision of advice and guidance, at present we do not intend to take further enforcement action in respect of the non-compliance identified above. This does not preclude us from taking enforcement action if further relevant information comes to light or advice isn't followed.

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			
B1	X	STS to confirm when the new larger capacity filter for the DAF sludge tank is in place and operational.	28/10/2016
C2	C3	Operator to provide evidence that STS personnel and third party sludge tanker drivers have received the necessary training and instruction in relation to use of the on-site carbon (odour) filters. Examples of sign-off/record sheets should be submitted to NRW to show the filters are being used. Any method statement or procedure in relation to this activity should also be submitted to NRW.	28/10/2016

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.