

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

Site	Llanwern Steelworks EPR/BS3905IP	Permit Ref	BS3905IP		
Operator/Permit holder	Tata Steel UK Limited				
Regime	Installations				
Date of assessment	13/06/2019	Time in	09:30	Out	16:00
Assessment type	Audit				
Parts of the permit assessed	All				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by					
Recipient's name/position	Hayley Jeremiah/ Michael Launder/ Environment Team	Date issued	05/07/2019		

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
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	0	Total compliance score (see section 5 for scoring scheme)	0
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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

The audit was arranged as part of NRW's routine audit schedule. There had been recent heavy rain and it remained showery. The audit was hosted by Hayley Jeremiah and Michael Launder.

Business Update

The Llanwern Works Manager, Craig Phillips provided a general business update. The operational status of the different activities on the site were detailed together with any changes expected over the next few months as a result of current known variations in demand. Reference was made to the recent reported closure of Quinn radiators in Newport and the challenges being faced by the automotive industry. The current workforce was 495. The Hot Mill area had been totally isolated so was not accessible unless there was a specific need. The collapse of the proposed merger with Thyssenkrupp had not been a significant surprise. It was the view that the changes that would have been necessary to get agreement for the merger from the EC were too deep to accept. However, this meant that it was now business as usual and the Llanwern Annual Plan had been devised in preparation for such an outcome.

Review of Action CAR NRW-0032845

Action (1): NRW had not progressed an OMA for Llanwern on the basis that one had been done at Port Talbot and the current environmental impacts were not significant. On this basis it was not considered necessary at this stage.

Action (2): A copy of the most recent ISO 14001 audit would be provided to NRW. **Action (1): Tata.**

Action (3): Green list consignments not of such high concern at present but Tata would provide confirmation of the approach being used for Zinc dross so it is consistent. On Form R1 for 2018 a value of zero was reported. **Action (2): Tata.**

Action (4): Complete

Action (5): Complete

Action (6): Complete

Action (7): Complete

Site inspection

The following parts of the installation were inspected:

Auto Finish Line

This facility is a recent addition to the Llanwern installation and although commissioning has not been signed off (significant snagging list being worked through). It is in use 24/7. The process enables detailed QA inspection of steel coil and the removal of substandard sections. This enables Llanwern to meet the high-quality specifications that are required for the automotive sector. Complete coils are unwound and visually inspected with the aid of computer processing. The overall process is highly automated and

incorporated a cutting and welding system to remove imperfections and reweld to maintain a continuous coil.

Off cut material is stored in proximity to the facility prior to sale or recycle (PT or third party depending upon grade).

There is a dedicated associated oil storage facility that was well maintained. All IBCs were on dedicated sealed bunds. The flooring was well sealed, so any spillages would easily be cleaned up. All maintenance is managed through a SAP based system and this was demonstrated with specific reference to the hydraulic system. Routine maintenance intervals were typically weekly with more extensive checks carried out monthly. There was also a routine shutdown at 10 weekly intervals. To a certain extent the maintenance system was still evolving which is understandable for a new facility.

Chemcoater

This process is another recent addition to Llanwern because of the need to cease use of Cr VI for passivation. A short presentation was provided. It was commissioned in February and is used for approx. 5% of the Llanwern order book. It can accommodate thicknesses in the range 0.6 to 2.0mm and widths of 900 to 1830mm with line speeds of 168m/min.

The process had been designed considering learning points from the same process operated at Shotton and is used for coil that has already been through the Zodiac process. It incorporates a heating oven with a set point of 180 °C. This enables metal temperatures of approx. 40 °C to be attained prior to surface coating. The coating is applied by means of a roller system. The material used is a phosphatic based chemical, a copy of the MSDS was provided after the audit.

The facility was being well maintained. At the end of a campaign, which is at least treatment of 10 coils, there is a wash down process. Water from this is retained for subsequent disposal. This is typically six monthly (15t removed from site to Castle Waste). Typically, two IBCs of the coating material are used each month, the main inventory is retained in the Llanwern Stores.

NRW would consider visiting the Stores as part of the next inspection. **Action (3): NRW.**

Lagoon 14

On route to the Lagoon the East-West Ditch was observed. At the point of crossing the reën it was very milky, although this was not surprising due to the recent heavy rain. The general condition of Lagoon 14 appeared good. The water was reasonably clear and an improved drop had been created that was aerating the water immediately prior to discharge at W1. This was expected to help reduce the pH. A full circuit of the Lagoon was made. The silt levels were clearly higher at the edge and the end where the water enters the Lagoon. There was some vegetation growth at the edge but this was not yet excessive. There did not seem to be an immediate need to undertake desilting, however, it would most likely be a requirement next year, if not this year. **Action (4): Tata.** The condition of the surface oil boom was poor and it was noted that a replacement was already on order.

The condition of the reën that extended to the estuary was reasonable, as far as could be visually observed.

General Topics

Impact of M4 decision

Announcement of the decision not to pursue development of the M4 relief road has taken away the prospect of significant enforced changes to the Llanwern site on the south side of Queensway. Tata had already held meetings to reevaluate the strategy for this part of the site and the main points were

discussed. In particular there was a 'Plan B' for the reuse of lagoon material. Lagoon 27 had high Fe and C and was therefore valuable for the iron making process. Lagoon 25 and 12 had higher Zn which was problematic. There were several driving forces in place that would influence decisions, these were; the value of the material thereby offsetting iron ore purchase costs, freeing up land for other use, Corporate responsibility. Further research spending is necessary to enable a fully informed decision. The strategy should be further developed over the next 6 to 12 months.

There was still interest in bringing No.1 reed back into active use to increase the sewage treatment capability for the local area pending future potential development. The area had been designated as a SSSI in late 1980s and there was a need to agree an appropriate management strategy. Ultimately there was likely to be a decision to bring into the permit installation, but this was longer term. Other considerations were the adoption of efficient management practices to minimise ongoing management costs e.g. pumping infrastructure costs £0.3M/yr.

Interaction with SMD

Tata discussions with SMD have continued and a final outcome is awaited. Whilst NRW have agreed to the latest plans in respect of the management strategy for discharges to the East-West ditch this will not be confirmed in a CAR until Tata have also confirmed agreement with SMD. **Action (5): Tata.**

Northern boundary

Negotiations are continuing regarding the site boundary on the northern side due to a proposed new rail track. This may necessitate a minor change to the installation boundary. NRW would check the original site plan provided with the PPC permit application as it was not possible to be definitive on the exact boundary line using the map in the permit. **Action (6): NRW.**

Audit topics

Energy Management Plan

A comprehensive description of the ongoing work to reduce energy consumption across the installation was provided. In accordance with a typical approach to the issue of energy efficiency the easy options have been tackled first with the result that considerable savings have been achieved. On the Zodiac plant an Energy Efficiency Wave process has been adopted. This has served to embed a culture into the workforce which has now spread throughout the works. Addressing common issues such as steam traps, lagging, fitting of VSDs and upgrading lighting to LEDs has been very beneficial. Workshops have been held to identify ideas and new approaches. In addition to gas and steam, water efficiency has also been addressed. Further issues to progress this year include; replacement of steam heating with electric, minimising consumption during periods of non-operation, additional metering and improving the workers' mindset.

It was clear that Tata are meeting the requirement of the permit to have an Energy Management Plan and update this on an annual basis. The work was leading to significant year on year cost savings that more than covered the costs of maintaining such a plan .

Review of Complaints Log

Llanwern receive very few complaints and there are no long standing issues that cause concern to local receptors. Since the previous audit there had been a report of annoyance from a diffuse light source, however, these were recently upgraded to LED units and the complainant advised. It is not known if this has fully resolved the issue. The only other issue related to surface water flooding near Drain 9. It was

identified that the reent was not draining efficiently. Following flushing no further issues have been reported. There are no noise related issues.

Mothballed Hot Mill and OMS recovery plant

The measures that had been adopted at Llanwern to ensure mothballed plant remains secure and in a safe condition were described. Regarding the Hot Mill a fence had been erected and there was a management meeting held at two weekly intervals. A management of change procedure was in place, a copy of the Risk Assessment document was provided. This indicated that progress with specific issues was being well documented and where further controls were required this was detailed. Specific tasks were defined with respect to the removal of the oil that remained in some tanks. It was possible that some of the storage tanks would need to be heated to effect removal of the contents. Any items removed from the area are logged, the expectation is that they would be returned in the event of a planned restart of operations. Security patrols are carried out at regular intervals. A copy of the meeting log would be provided to NRW to demonstrate the management procedures that have been adopted. **Action (7): Tata.**

EPR Compliance Assessment Report

**Report ID:
CAR_NRW0035362**

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Operator/Permit holder	Tata Steel UK Limited	Date	13/06/2019

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.

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			

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.