

Compliance Assessment Report CAR_NRW0045679

Permit being assessed: XP3830UR.

For: Haverfordwest Creamery, **held by:** The First Milk Cheese Company Ltd

At: Haverfordwest Creamery Pembroke Road , Merlins Bridge, HAVERFORDWEST, Dyfed, SA61 1JN.

Type of assessment: Report/Data Review,

Reason: Routine.

On: 20/11/2024.

Parts of permit assessed: Operations & Information.

NRW Lead Officer: Rhydian Cox.

Report sent to: Safety & Culture Lead, Safety & Culture Lead, on 22/11/2024.

1. Summary of our findings (full details in section 4)

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR4B - Installations - Information - Reporting	Assessed (A)	
IR2C - Installations - Operations - Operating techniques	Assessed (A)	

Result types are explained in more detail in the 'Important Information' section below.

Total non-compliances recorded	Total non-compliance score
0	0

How we use the non-compliance score to calculate your annual fee is explained in the 'Important Information' section below.

2. What action is required?

No action required.

3. What will happen next?

Any non-compliance we have identified and recorded on this form is an offence. It can result in criminal prosecution and/or suspension or revocation of your permit.

At this time, we do not intend to take any further action.

This statement does not stop us from taking additional enforcement action if further relevant information comes to light or offences continue.

4. Details of our assessment

This Compliance Assessment Report (CAR) details the comments of Natural Resources Wales (NRW) Officers for the review of the First Milk Nutrient Efficiency Project Summary Report submitted on 28 February 2024 relating to The First Milk Cheese Company Limited, Haverfordwest Creamery, Pembroke Road, Merlin's Bridge, Haverfordwest, Pembrokeshire, SA61 1JN for activities held by The First Milk Cheese Company Limited (the operator) under the environmental permit ERP-XP3830UR.

Introduction

The First Milk Offsetting scheme came into being to address concerns with the increased loading of nutrients into the Pembrokeshire Marine Special Area of Conservation (SAC) following the commissioning of First Milk's onsite effluent treatment plant (ETP) in 2015/16. This scheme was developed and agreed in partnership with First Milk which involves implementing a number of pollution prevention measures at a group of dairy farms which supply the creamery with milk. The combined reduction or 'savings' in nutrient and sediment loads from the scheme member farms must offset the loads discharged into the Cleddau from the Creamery's ETP via emission point W2 of the environmental permit. The scheme requires the pollution reductions at scheme member farms to be equal, or be greater than, the amount of nutrients discharged by the effluent plant to the Western Cleddau. Further information on the history of the scheme has been outlined in CAR_NRW0037181.

The agreed scheme is administered and delivered by First Milk and its chosen specialist agricultural contractor, ADAS, and is reflected within the installation permit to ensure transparency and auditability.

First Milk is required to submit an annual report summarising the package of measures being undertaken at member farms, comparing this with the performance of the creamery's ETP and most importantly demonstrating that the nutrient offset is being achieved. The annual summary report requirements includes scheme members farm packs and their list of agreed offset measures which are maintained and administered by ADAS on behalf of First Milk. These records combine to fulfil the requirements outlined within Pre-Operational Condition 2 (POC2) as previously detailed in CAR_NRW0037181.

Compliance for the offset scheme is currently assessed using the following components of installation permit XP3830UR:

Permit condition 2.3.1(a) requires the operator to follow the agreed operating techniques outlined in Schedule 1 Table S1.2 of the installation permit. This includes the nutrient offset scheme scope, content and supporting documentation.

Permit condition 4.2.3 and Schedule 4 Table S4.3 confirm an annual reporting requirement in respect of nitrates, suspended solids and phosphates reduced from the farm nutrient efficiency (offset) scheme. The annual nutrient offset summary report and Form

Performance 1 are currently used to meet this requirement

Receipt of the summary report

The First Milk Nutrient Efficiency Project Summary Report was submitted to NRW on the 28th of February 2024 for review. The report summarises the outcome of the offsetting scheme undertaken by 32 First Milk volunteer member farms, over the period 1st December 2022 to 30th November 2023. A review of the summary report was undertaken by NRW in November 2024.

Submission of the nutrient offset summary report is not always possible by 31 January each year to comply with permit condition 4.2.3(c), due to the much greater level of detail & data needed for the summary report. Revised annual deadline of the 1st March agreed as per CAR_NRW0037181.

The 2023 annual report submission is therefore in compliance with permit condition 4.2.3(c).

Compliance Review

Included within the 2022-2023 Nutrient offset summary report are the figures for the nutrient amounts discharged from the First Milk ETP, relative to the figures related to the amount of nutrients offset from the mitigation measures employed on farms by the 32 volunteer member farms included within the scheme. The figures relating to the discharge by the ETP accurately measured and monitored by First Milk. These figures are routinely submitted to NRW to review and to ensure compliance with their environmental permit as per conditions 2.3.1(a) and 4.2.3, outlined above.

The figures included within the report for the nutrient offset have been calculated by ADAS, using the Farmscoper computer software tool. The agreed diffuse pollution prevention measures are entered into Farmscoper which models the potential impact on the losses of nutrients and sediments to watercourses. Farmscoper is designed for use with different farming systems and can tailor its output according to specific farm data. The data is ultimately used to calculate potential nutrient savings for each measure, which can then be compared with the nutrient loads from the effluent treatment plant. No detailed audit of the Farmscoper model has been undertaken at this time. Compliance figures are outlined in the table below.

	Ammonium-N (kg)	Phosphorus (kg)	Total Suspended Solids (kg)
Discharged from the First Milk ETP for the period 1 Dec '22 to	459	483	5,148

30 Nov '23			
Farmscoper output for Farm Nutrient Reduction (32 member farms) for the period 1 Dec '22 to 30 Nov '23.	29,447	1,229	153,569

Table 1: Discharge of nutrients from the First Milk facility relative to the on farm nutrient saving from the offset scheme for the period 1st December 2022 to 30th November 2023.

The calculated net offset of Ammonium-N for the period in question is a total of **28,988kg**.

The calculated net offset of Phosphorous for the period in question is a total of **746kg**.

The calculated net offset of Total Suspended Solids for the period in question is a total of **148,421kg**.

The total nutrient offset delivered by the First Milk offsetting scheme between 1st December 2022 to the 30th November 2023 for all parameters required is greater than the total nutrient input from the First Milk Haverfordwest Creamery.

Other Matters

The Welsh Government introduced new regulatory measures to address agricultural pollution in Wales. These regulations came into force on the 1 April 2021 and apply to all farms across Wales. There have been transitional periods to allow time to prepare and implement actions and measures to account for these regulatory changes. The final measures were implemented on the 1 August 2024. These changes may impact future reporting of the First Milk Offset Scheme.

Please note from the 4th of December 2023, Schedule 3(b) outlines changes to the emissions and monitoring requirements for emissions to water. These changes may impact the nutrient emission limits relating to any future offset scheme reporting, please refer to the environmental permit for further information.

This compliance assessment report focuses on installation permit compliance and does not include 'on-farm' validation of the agreed offset scheme methodology and records. It is NRW's intention to undertake a detailed review of the annual reporting submissions and the offsetting scheme in its entirety in due course.

END

If you have any queries about this report, or to discuss completion of any actions, please contact the NRW Officer named above.

Important information

Legal status of this report

Your permit is issued to you under the Environmental Permitting Regulations. You have a responsibility to comply with the conditions of your permit and prevent pollution/harm of the environment. You must also ensure that you comply with any other relevant legislation that may apply to your site's operations.

This report explains the findings of our assessment and any action you are required to take. We categorise non-compliance using our guidance for assessing non-compliance at regulated sites.

When we find potential non-compliance/s we will normally give you advice on how to maintain compliance.

To correct non-compliance, we may:

- require you to take specific actions
- issue a notice
- review the conditions of your permit.

Any advice and guidance we give will be without prejudice to any other enforcement response that we consider may be required.

Assessment results and non-compliance categories (used in section 1):

Assessment result	Description
Assessed (A)	Assessed or assessed in part, no evidence of non-compliance found
Action only (X)	Action only relating to the activity assessment
Ongoing (O)	Ongoing non-compliance, not scored

Non-compliance category	Description	Score
C1 Major	Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property	60
C2 Significant	Potential to have a significant impact or effect on the environment, people and/or property	31
C3 Minor	Potential to have a minor or minimal impact or effect on the environment, people and/or property	4
C4 No environmental impact	Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property	0.1

How we use assessment scores

The number and severity of non-compliances recorded in a year will affect your annual subsistence fee the following year. A non-compliance factor is added to your site's Operator

Performance Risk Appraisal (OPRA) score when we calculate your fee to reflect the additional resource we use to assess permit compliance.

If your assessment result in Section 1 is suspended, what does this mean?

In line with our guidance, we may suspend scores for up to six months to allow time for remedial action to be taken. Suspended scores will be re-instated if the action is not completed.

Full list of Industry compliance criteria (used in section 1 and 2):

1. Management

- IR1A – General management
- IR1B – Finance (only applicable to Landfill)
- IR1C – Energy efficiency
- IR1D - Efficient use of raw materials
- IR1E - Avoidance, recovery and disposal of wastes produced by the activities
- IR1F - Multiple operator installations

2. Operations

- IR2A – Permitted activities
- IR2B – The site
- IR2C – Operating techniques
- IR2D – Technical requirements
- IR2E – Improvement programme
- IR2F – Pre-operational conditions
- IR2G – Landfill engineering (only applicable to Landfill)
- IR2H – Waste acceptance (only applicable to Landfill)
- IR2I – Leachate levels (only applicable to Landfill)
- IR2J – Closure and aftercare (only applicable to Landfill)
- IR2K – Landfill gas management (only applicable to Landfill)

3. Emission and Monitoring

- IR3A – Emissions to water, air or land
- IR3B – Emissions of substances not controlled by emission limits
- IR3C – Odour
- IR3D – Noise and vibration
- IR3E – Monitoring
- IR3F – Pests
- IR3G – Air quality management plans
- IR3H – Monitoring for the purposes of the Industrial Emissions Directive (this heading includes Large Combustion Plants)
- IR3I – Fire

4. Information

- IR4A – Records
- IR4B – Reporting
- IR4C – Notification

Enforcement response

Any non-compliance with a permit condition is an offence and we may take legal action against you. Action we take can include prosecution, serving a notice on you and/or

suspension or revocation of your permit. See our Enforcement and Sanctions Guidance for further information.

Data protection notice

You should make sure that anyone named in this report knows that the information it contains will be processed by Natural Resources Wales to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s).

We may also use and/or disclose the report in connection with:

- offering or providing you with our literature or services relating to environmental matters
- consulting with the public, public bodies and other organisations (e.g. 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 our service
- Freedom of Information Act or Environmental Information Regulations requests.

We may also pass it on to our agents or representatives to do these things on our behalf.

Disclosure of information – this report will be available to view on-line

If you think this report contains commercially confidential information that should not be placed on our public register, you must contact your local Natural Resources Wales office within **fifteen working days** of receiving this report, using the contact details in the accompanying email or letter. You must give a full explanation of why it should not be added to our public register, including specifying which information is commercially confidential. We will assess your request and respond to you within twenty working days to let you know if we agree to your request.

What do I do if I disagree with the report or have a complaint?

If you disagree with this compliance assessment report, you should contact the lead officer without delay to discuss your concerns.

If you are unable to resolve the issue with the lead officer or their line manager you should contact our Customer Contact team on 0300 065 3000 (Monday to Friday 08:00 to 18:00), or email enquiries@naturalresourceswales.gov.uk for details of how to raise your dispute further through our Complaints and Commendations procedure.

If you are dissatisfied with our response, you can contact the Public Services Ombudsman for Wales by phone on 0300 7900203 or by email at ask@ombudsman.wales

Welsh Language Standards

We are committed to establishing Natural Resources Wales as a naturally bilingual organisation. We will provide compliance reports in your preferred language.