Compliance Assessment Report

Report ID:
CAR_NRW0031802

This form will report compliance with your permit as determined by an NRW officer					
Site	Cardiff Section Mill EPR/BV0767IT	Permit Ref	BV0767IT		
Operator/Permit holder	Celsa Manufacturing UK Ltd				
Regime	Installations				
Date of assessment	14/06/2017	Time in	10:00	Out	14:45
Assessment type	Audit				
Parts of the permit assessed	General compliance				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by					
Recipient's name/position	Richard Lewis/Sioned Hatcher/ Environment Dept.	Date issued	26/06/2017		

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**

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

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 the routine audit schedule and an agenda was provided in advance.

Review of actions from last audit : NRW_0020588

Action (1) Lids should now be correctly in place – to be confirmed during site inspection, now new Action (4).

Action (2) Bunds are subject to regular dewatering – to be confirmed during site inspection.

Action (3) Collection system was subject to daily checks by Suez so should now be functionally effectively.

Action (4) Approach agreed but see comments from Site Inspection below, now new Action (5).

Action (5) Scale removed soon after it was noted.

Action (6) No discharges to ground as manual blow down.

All above Actions were considered complete or transferred to new Actions.

Business Update (Mark Evans, SM Operations Manager)

A general update on the SM performance was provided by the Operations Manager. During 2016 292Kt was rolled and a utilisation of 70.2% was achieved. The forecast for 2017 is 317Kt with a utilisation of 73%. Considerable improvements have also been made in the yield figures (loss of original billet), reduced from 6.26 to 6.05%. Energy performance had also improved as evidenced by reductions in gas consumption. This had been achieved by a combination of improvements that included use of an auto control system that reduced the manual input in furnace control and the use of a high emissivity furnace coating that on its own was saving ~4kW/t. Further improvements were planned for the next shut down that included a new recuperator.

The prospects for replacement of the furnace were now realistic within the next five years. This will instigate a number of other significant changes to the rolling mill in order to reap maximum benefit. The furnace will be a walking beam one and be able to take 12m billet compared with the current max. 6m. Initial design work had commenced. It would be located on the site of the redundant diesel tank and involve a change to the location of the emission point.

It should be noted that the replacement furnace will need to meet current BAT standards. This will need to be confirmed as part of the necessary permit variation application. **Action (1):** Celsa to progress as appropriate.

Many other general improvements had been made within the past year including variable speed drives for compressors and lighting.

Celsa were maintaining their market share that is predominantly UK & Ireland based. A benefit of the furnace/mill improvements will be the ability to produce new section products for which Celsa have identified a good market.

Hot charging remained an excellent energy efficiency measure subject to the Mill's operational limitations, as noted during previous audits. The annual average for charging temperature had increased from 86 to 97°C for 2016.

Daily meetings serve to ensure all operational parameters are reviewed on a 24 hourly basis, so any issues can be identified early and corrective/repair measures implemented in a timely manner.

Overall the management were very optimistic about Mill performance, existing initiatives were continuing to deliver reduced costs and efficiency improvements while the replacement furnace plans would make an additional step change.

Audit topics

Waste transfer – Hazardous consignments (Permit Condition 2.6)

Hazardous wastes produced by the Section Mill are normally confined to oily contaminated PPE and rags (EWC 15 02 02), and waste oils/greases. Consignments are normally in batches of approx. 80 drums occasionally with a few IBCs and typically arranged every three to four months. Copies of paperwork for consignments over the past year were reviewed. SiteServ manage the process, and the destination was detailed as Robert Hopkins, West Midlands. It was noted that on one consignment note (dated 27-4-2016) only one EWC code had been identified yet the consignment included drums containing oily rags/PPE and two IBCs. Different codes were necessary on the basis that the IBCs contained waste oils rather than oily contaminated rags/PPE. It is imperative that paper work must be correct prior to waste consignments leaving site. **Action (2):** Celsa to review SiteServ procedures and ensure all waste paperwork is completed correctly. Outcome of this to be reported to NRW. Due date 31st July 2017.

Monthly EMS reviews

Evidence of the recent monthly reviews was provided. It was noted that during 2016 a total of 81 actions had been generated, all of which will have been captured on the Pro Safety system. This ensures the completion of follow up actions and timely closure. The majority of the issues related to general housekeeping. The most recent review (11th May 2017) was examined in greater detail and this included the following issues; hydraulic leaks, the moving of waste paint from general to haz waste compound, general housekeeping and IBC storage.

Good evidence was provided of ongoing compliance with the Trade Effluent consent that set limits for a wide range of determinands. While not included in the EPR permit Celsa were compliant with all the limits with no evidence of an exceedance in recent years.

EMS Review

EMS procedures were reviewed with specific reference to the NRW Notification requirements. These are detailed in the internal procedural document CP/B033 v5 Oct 2015. The only comment was that Celsa need to update the NRW telephone number for Incident reporting to 03000 653000 – this is manned 24/7. **Action (3):** Celsa.

The Environmental Reporting spreadsheet was comprehensive and detailed all the routine permit reporting requirements (annual and quarterly).

Responsibility for maintaining an 'Asset Register' resided with the Engineering Dept. for the whole of Celsa's activities. This was documented as ECP 11 'Environmental Infrastructure Monitoring Procedure'.

Site Bunds/Tank inspections

The site's tanks and bunds are subject to a monthly visual inspection and any issues are reported as an exception rather than through a routine inspection report. This is not ideal on the basis that there is no confirmation that the checks have been completed in the event that no issues were identified. The scope of the checks was also unclear, it is important that they are sufficiently rigorous to include integrity of the infrastructure.

Recommendation (1): Celsa should ensure the inspection records are complete and check the scope is appropriate.

<u>Celsa's audits on Service Providers</u>

Suez (was Ondeo-Suez) are the site contractors for process water systems and Site Serv for waste management. Celsa have an established system in place for auditing their contractors and this is done on an annual basis. The Suez contract was renewed recently and the next audit is planned to be carried out before the end of 2017. The most recent Site Serv inspection was carried out in November 2016.

Site Inspection

An inspection of the installation was hosted by Gary Janes and Richard Lewis. The weather conditions were dry and sunny, there had been no recent rain. It was noted that the Mill had recently recommenced production following a shut down period. The following points were noted:

- The Hazardous Waste storage area was being well managed. The inventory was approaching capacity although this was normal pending transfer of a normal batch of ~80 drums. The associated storage tanks and bunds were in a satisfactory condition, although some of the tank lids were still not correctly placed in position (see comment above re Action (1) from previous inspection). Those responsible for maintaining the area should be made aware of the need to secure tank lids to prevent water ingress. **Action (4).**
- The water treatment plant appeared to be being maintained in a good working condition. Oil recovery belts were in use and appeared to be effective. The oil collection baths were reasonably clean and functional. Daily check sheets were being completed, examples of these were examined and a complete record was available apart from the period when the plant was shut down. It was noted that the oil recovery belts were replaced on an as necessary basis, however, previously provided information had noted they would be replaced monthly.
- The furnace control pulpit was visited. The system was being operated in auto mode. There was evidence that the CO monitor was functional but real time data was not routinely displayed. Current production was 'angle section' – typically used for pylon and other general construction purposes.
- General housekeeping within the mill was good. The contents of waste bins appeared to be appropriately segregated and oil spill kits were widely available and in good condition. There was no significant 'fog' within the building – something that had been observed during previous inspections.
- Improvements had been made to the compressor house such that it was no longer necessary for periodic discharges from the receiver to go to ground.
- The area where dry waste materials were collected; (currently located outside the installation boundary but it had been agreed that this would be correct when the permit was updated as part of the BREF review process), cardboard, wood, general waste, metals, WEEE, was tidy. However, it was unclear why the receiving skips needed to be dispersed to the extent observed and there was evidence of cross contamination, albeit minor, in the general waste skip (oily materials). While there was definitive and clear signage for some skips , this did not apply to all. The reason stated was that the skips were colour coded. In view that some cross contamination was present it would be good practice to improve signage and note no oily contaminated materials were to be included in the general waste

skip. **Action (5)**.

Cyfoeth Naturiol Cymru Natural Resources Wales	EPR Compliance Assessment Report	Report ID: CAR_NRW0031802

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Operator/Permit holder	Celsa Manufacturing UK Ltd	Date	14/06/2017

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.