Compliance Assessment Report

Report ID:
CAR_NRW0026290

This form will report compliance with your permit as determined by an NRW officer					
Site	Liberty Steel Newport Ltd	Permit Ref	EP3830GH		
Operator/Permit holder	Liberty Steel Newport Ltd				
Regime	Installations				
Date of assessment	10/08/2016	Time in	13:30	Out	16:30
Assessment type	Audit				
Parts of the permit assessed	1.1, 1.2, 2.3,				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by	Lansdown, Ashley				
Recipient's name/position	Richards Steed/ Manager	Date issued	22/08/2016		

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
B1 - Infrastructure - Engineering for prevention and control of emissions	C3	2.3

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

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

General

Audit was arranged as part of the routine audit schedule and as the installation had recommenced rolling operations and commenced a new waste storage activity. The main purpose of the audit was to check that appropriate measures were in place for the management and storage of the waste materials, review the energy efficiency measures in respect of the reheat furnace and find out about business development plans. An agenda had been provided prior to the audit.

Business Update

Prospective and ongoing developments for the installation were described by RS and HS. Some of the peaking plant units were now in position at the far end of the site although they were not complete. It is planned that they will be fuelled by tallow (at least in part if not wholly). It was noted that if such units are not technically linked with the rolling activity there would be no need for a variation as long as the thermal capacity does not exceed 50MWth. The activity would then need a separate Part B permit and be LA regulated. A summary note about this development was provided and subsequent review of this indicated that the power was going to be used by Liberty. This would make the permitting requirement different and clarification would be sought.

The Tank Farm (Planning Application submitted) was unlikely to be pursued on the indicated scale. Indeed it was suggested that it would unlikely be developed on a scale that would initiate Upper Tier COMAH. Liberty should keep NRW informed about the plans **Action (1).**

There are several other prospective plans/business developments that were under consideration but these had not been progressed to a stage where detailed assessment was appropriate.

With respect to the rolling operations progress with establishing a position in the UK market place was progressing well. Due to the long period of absence it was expected that this was always going to take time. During some months production had reached 22 000t/mth, however 40 000 is possible. There was also good progress with the export market. Overall the mill was running well but upgrades to improve quality and production were under consideration. The concept of producing 'green steel' is at the heart of Liberty's objectives and it could be expected that many new initiatives would be aimed at contributing to this.

Site Inspection

An inspection of the installation was hosted by RS. There was no production in progress due to the summer shut down. Maintenance work was being undertaken on the mill and reheat furnace. As a consequence there were few operational staff on site. The weather conditions were dry.

On the main roadway adjacent to the staff car park there was a significant quantity of seemingly 'clean water' being discharged to a surface water drain. Subsequent to the inspection the site drainage plans were checked. Surface water is discharged to the Usk via release points W2 and W3 that are not subject to any monitoring, on the basis that only surface water is released. The exact origin of the water being

discharged to the drain was not confirmed, however, such practices should not occur due to the risk of contamination. There are facilities on site to deal with contaminated process water and these should be used if even only for precautionary reasons. Water that enters the surface water drains must only be direct surface water runoff. **Action (2)** LSN to provide evidence that EMS procedures set appropriate procedures for the management of water that is non surface water in origin by 15th September 2016.

The jetty area was secure (key required to access). The diesel tank and associated bund were in reasonable condition. There was a very minor leak from the drip tray to inside the bund. There was no rain water in the bund.

The waste stored in the scrap bay was inspected. This was all RDF that had been received as wrapped bales. It was well arranged with adequate fire breaks. Some of the bales showed sign of damage and in many cases tape had been used to seal tears. There were a few bales with tears, while the contents could be seen there was no evidence of spillage to ground. There was a faint odour from the bales. Concerns were expressed about the drainage system. Liberty are required to have a 'sealed drainage system' and at the time of application it was claimed that this was the case for the scrap bay storage area. This is necessary to avoid any contaminated run off from the storage reaching ground or being discharged to water. While the scrap bay was covered so there would be no surface water run off from the area, in the event of a fire there would be significant fire water that would need to be retained and disposed of in a suitable manner. It was considered that the existing arrangements do not satisfy the requirement for 'sealed drainage'. In particular the earth bunds would be unlikely to retain fire water and the presence of continuous impermeable hardstanding was not possible to confirm. A Cat 3 non-compliance is therefore recorded and the following action must be completed. **Action (3)** Liberty Steel must review the storage conditions and make the necessary improvements such that a sealed drainage system to an acceptable standard is installed. A report that details the necessary work must be submitted by 30th September that includes timescales for implementation.

There had been no progress in preparing additional storage areas that would be uncovered.

There was work being carried out on the reheat furnace. A large amount of refractory was being replaced. In addition there was a large number of replacement mill rolls that had been procured for the rolling mill. This was clear evidence that there was significant investment in the rolling operations. The internal condition of the mill appeared tidy and housekeeping standards seemed adequate.

The water treatment plant was not in use, however, it appeared adequately maintained based solely on visual assessment.

There remained a number of derelict temporary buildings that were clearly in need of removal from site before they become a significant safety hazard. In addition there are a large number of articulated trailers that appeared to have reached the end of their life. Removal of these would also be beneficial.

Liberty Steel were granted temporary permission to store Celsa EAF dust pending a permit being issued to Cargo Services at Bird Port. There remained approx. 1300t of EAF dust stored externally. This was in a well-defined area. All visible bags were in a good condition with no evidence of tears or spillage. It was expected that all this material would be removed within the next six weeks as part of the next TFS shipment. No further EAF dust would be received as Cargo Services now had their own permit.

<u>Audit items</u>

Management of received waste

A copy of the draft management system for the receipt and despatch of waste materials was provided for review. This is comprehensive and includes details of the procedures for the management of waste materials on site including acceptance procedures, Fire prevention and risk assessment, storage procedures, re-baling and wrapping procedures, inspection schedules and check sheets. It is noted that

the document is a draft version. **Action (4)** Liberty must finalise the procedures and implement the management system as waste is already being stored on site. This must be confirmed with NRW by 15th September 2016.

The following detailed comments on the draft report should be noted:

- p5, comment that waste will not be stored for > 3 months is different from the permit
- p13, Fire water run off section, it is stated that the perimeter of the storage area is permantely bunded. It is not NRW's view that the existing arrangements (include earth bunds) cannot be considered as 'permanent', or adequate to meet the permit requirements. See Action (3).
- p23 cites criteria for the notification of fires to NRW. The Notification requirements that **must** be adhered to are those detailed in the permit (4.3).
- the described facilities for damaged bales (allocated quarantine area, 35yd container) were not evident during the site inspection.

Good records of all received waste were being maintained, copies of these were provided. Total inventory of site at the time of audit was 6921.25t. It was noted that the permit cites a maximum storage duration of 9 months for all received waste. In the absence of any current means for Liberty to use the waste on-site NRW requested that they be advised of Liberty's plans for removal of the waste. **Action (5):** NRW to be notified by 30th September 2016. It should be noted that permission for storage beyond the 9 mth period should **not** be assumed.

There were no plans to appoint additional site based staff with environmental responsibilities. Existing staff were confirmed as meeting the appropriate competency standards and it was noted that additional resources can be met by other organisations within the Group.

Weigh bridge calibration

The Uskmouth Power weigh bridge was being used for incoming waste loads. A copy of the current calibration certificate was provided.

TFS Compliance

NRW were required to obtain information on waste movement to/from overseas. Liberty were requested to provide confirmation of such movements. This should include a waste description, if it was exported directly or via a third party, hazardous properties, destination country and TFS control level. **Action (6)** Liberty to provide NRW with this information by 31st August 2016 for 2015 calendar year.

Emissions monitoring data

Monitoring data in the most recent contractors report (reheat furnace sampling conducted on 14/4/2016) was cross checked against the A1 reporting form. All reported data was correct. It was noted that the monitoring standard was quoted as BS EN 14792 rather than ISO 10849 as stated in the permit. This is an acceptable alternative. A cross check of the data reported for discharges to water on Form W1 indicated that there had been a minor transcription error for the lead result such that it was over reported. **Action (7)** Liberty to submit a corrected W1 form for Q2 2016.

It was noted that the site's OMA was due now that rolling had recommenced. A date for this would be set once the revised version (v5) had been rolled out by the Environment Agency.

Permit reporting requirements

Liberty were made aware that reporting condition 4.2.2 required 'an interpretative review' of the data. This would be required as part of the annual reports. With respect to condition 4.2.5 the relevant reporting form would be provided by NRW. **Action (8)** NRW. Completed.

Reheat furnace maintenance

Liberty were requested to provide evidence that the reheat furnace was being operated in accordance with the requirement of condition 1.2 (Energy Efficiency). It was noted that while current operations remained intermittent there was plenty of opportunity to maintain the furnace and on this basis there was no current prescriptive maintenance schedule. While such an approach may be appropriate under the current regime clearly if rolling increased then it would be necessary to follow a schedule to ensure maintenance standards were maintained. Liberty should keep this situation under review.

It was noted that other operator's of reheat furnaces were adopting the use of high emissivity paint with the expectation of a 5-7% improvement in energy efficiency. A similar approach may be suitable for Liberty's furnace.

Cyfoeth Naturiol Cymru Natural Resources Wales	**EPR Compliance Assessment Report**	**Report ID: CAR_NRW0026290**

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Operator/Permit holder	Liberty Steel Newport Ltd	Date	10/08/2016

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.

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			
B1	C3	Plan the additional work that is required and implement in accordance with an agreed timesacle	15/09/2016

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.