Cyfoeth Naturiol Cymru Natural Resources Wales

Compliance Assessment Report

Report ID: CAR_NRW0033328

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	03/05/2018	Time in	10:00	Out	13:30
Assessment type	Audit				
Parts of the permit assessed	See CAR detail				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by					
Recipient's name/position	Richard Steed/ Environment/Admin. Manager	Date issued	14/05/2018		

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

Inspection was scheduled as part of the routine inspection schedule.

Operational Update

The current operational pattern is four 20h runs with a 4h gap in between with the objective of rolling approx. 40Kt/month. Slabs are being sourced from overseas. While output levels were currently less than the target average it is expected that output will increase during the second half.

There are two significant projects planned for the rolling mill. The first is improvement to the mill descaling system and the second, addition of an improved control system for the mill that will improve efficiency and production quality. It is planned that both these will be completed during the current financial year.

The oil storage facility (COMAH activity) had not been progressed. It is awaiting financial sign off before detailed proposals are developed. A copy of the most recent presentational material was provided for forwarding to NRW's COMAH Officer.

Construction of a replacement EAF facility remains under consideration. There would need to be significant infrastructure improvements to enable this. These included: an improved rail link for scrap imports, upgraded National Grid connection (possible 5 year delay for completion).

The generation plant was not currently being used. The cost of operation was currently greater than the value of electrical generation. The most likely outcome is that it will be removed from the installation and relocated. There will need to be a variation to remove the activity from the permit.

Consideration was also being given to installation of a sections mill that would enable the production of hollow sections (tubes and pipes). This would complement the existing Tredegar production. This could happen before the EAF developments.

It was noted the Group had purchased the Sheerness steel plant, formerly Thames Steel. However, this no longer incorporated an EAF facility.

Review of previous CAR form NRW0031483

Action 1: Programme of RDF removal from site was progressing. Approx. 5000t had been removed to date. It is important Liberty progress this to completion, so the installation returns to compliance as soon as possible. **Action (1): Ongoing.**

Action 2: Complete.

Action 3: Complete.

Audit topics

<u>PC 4.2 PRTR data verification</u>

Liberty had recently completed a significant office refurbishment programme that had necessitated the temporary storage of many documents. This included information related to PRTR data. The necessary documentation remained inaccessible. Liberty would provide justification of the figures for 2017 Air and Water releases when the files were recovered. **Action (2): Liberty Steel.**

Action completed prior to CAR issue.

Liberty noted that the PRTR system was not user friendly as it was not possible to obtain a copy of the data that had been inputted.

PC 2.1.1 Removal of RDF bales

Liberty had been providing regular updates on the removal of RDF bales from the installation in addition good records of the weigh bridge tickets were being maintained. A number of these were crossed checked with the two-weekly reports. Two minor errors were identified (one incorrect weight and one incorrect haulier name). These would be corrected by Liberty Steel. **Action (3).** In all other respects the records appeared accurate and comprehensive.

Action completed prior to CAR issue.

PC3.5.1 Monitoring contractor reports 2017

Copies of the Air Monitoring contractor's reports for Q1 and Q4 were cross checked with the data that had been reported to NRW on Air1 forms. No discrepancies were identified.

A similar exercise was carried out for the reported data on water releases. It was noted that the quarterly reports were for the highest of the three values detected during the monthly sampling. All reported data for a range of determinands was checked and no discrepancies were identified.

PC 2.1.1 Running logs for generator units

It was confirmed that the Generator Set's first commercial use was April 2017. It was not in current use (see comment under Operational Update). Running logs were not available for detailed examination. There is a reporting requirement against IC5 that is due within one year of commencement of generation, so this is overdue. Liberty need to respond **Action (4).** If it is no longer appropriate to respond to the original requirement then justification should be provided with a commitment to review if the plans for the facility change again in the future.

Response to IC5 was provided prior to CAR issue. In view of the current uncertainty regarding the plant's future this was accepted.

PC 1.2.1 Energy Efficiency

The permit requires the Operator to take appropriate measures to ensure the efficient use of energy and this is of relevance to operation of the reheat furnace (largest energy consumer at the installation at 1.3M kWh gas/day. While there had been detailed work carried out previously concerning the most efficient operating patterns, these are easily over ridden by production requirements. Inconsistent operation has a dramatic impact upon overall efficiency and this pattern may not change in the foreseeable future. Liberty's plans to improve the rolling mill automation will have knock on beneficial effects in terms of overall efficiency. There is also a quarterly Energy Champions Group that serves to pool knowledge. The beneficial results of using a high emissivity paint in the furnace were highlighted by NRW. Liberty noted that at some stage it will be necessary to reline the furnace, this would present a good opportunity to improve the energy efficiency. However, this is unlikely until there is a more regular operating pattern for the reheat furnace.

Site inspection

A site inspection was conducted in the presence of Richard Steed. The weather conditions were dry with a light wind. There had been rain the previous day.

The site roadway sweeper/water bowser was parked near the Administration block. This is a site asset, but it was not seen operational while the inspection was in progress.

The Jetty area was not in use at the time, however, the bund near the entrance had been badly damaged by a vehicle impact. A quote had been received for complete repair and installation of a protective barrier. It was stated that the diesel tank was empty. The rest of the jetty area was tidy. There was no operational activity. **Action (5)** Diesel tank must remain empty until bund repairs are complete.

The EAF dedusting plant is now in a very poor condition. A lot of the high-level shuttering had been torn away leaving the 'socks' exposed. In the event of high winds the immediate area should be avoided. Liberty need to provide appropriate warning to anybody required to visit W1 as the access is near this area.

The W1 release point is accessed through scrub, a path was being maintained although this may need further attention during the summer months. The discharge was running clear and at a moderate rate. The condition of water in the feed reen was difficult to determine due to dead vegetation.

The Generation Plant area was not visited. As noted previously this had not been used for electrical generation for a considerable period. The compound was secure. In the event that the facility is decommissioned and removed from site the handling of residual fuel would need to managed carefully to ensure there is no potential for pollution.

A considerable number of RDF bales had been removed from the 'covered' scrap bay area. There was evidence of recent bale breaking although no activity at the time of the inspection. All bales were being broken prior to removal from site, the plastic wrapping was also being consigned along with the loose RDF. Completion of the removal programme remains of utmost importance, as while the RDF remains, Liberty are not compliant with the permit. See Action (1) above.

There was a considerable amount of scrap (coil ends, damaged coils etc.) stored on the open ground adjacent to the covered scrap bay. This was taking up a large area and appeared poorly organised. It would be good practise for this to be in a dedicated storage area, that could be the 'covered' scrap bay, once all RDF bales have been removed.

The rolling mill was walked through. It was a non-production day, so the activities witnessed were primarily maintenance related. There was a large amount of mill scale that was ready for despatch. The normal approach is for this to be removed from the rolling mill pits and collected by the contracted company. Ideally transport should be organised such that the inventory is minimised. There was evidence of general rubbish in the scale. The workforce should be instructed that the discarding of rubbish such that it ends up in the scale is not acceptable. The plans for a new descaling system should improve the situation.

The internal coil stocking area was well organised, with despatch operations in progress.

There are regular HGV movements on site, some associated with Liberty's other activities (coil storage for a third party). It remains important that appropriate measures (sweeping and roadway wetting) are consistently in place. Despite rainfall during the previous few days there was still significant fugitive dust being generated by HGV movements. **Action (6): Liberty.**

Cyfoeth Naturiol Cymru Natural Resources Wales	**EPR Compliance Assessment Report**	**Report ID: CAR_NRW0033328**

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Site	Liberty Steel Newport Ltd	Permit Ref	EP3830GH
Operator/Permit holder	Liberty Steel Newport Ltd	Date	03/05/2018

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.