Cyfoeth Naturiol Cymru
Natural Resources Wales

Compliance Assessment Report

Report ID:
CAR_NRW0022710

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	17/06/2016	Time in	09:30	Out	14:00
Assessment type	Audit				
Parts of the permit assessed	2.1.2, 2.3.1, 2.5.1				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by					
Recipient's name/position	Hayleigh Jeremiah/ Environment Dept.	Date issued	27/06/2016		

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**
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 site inspection schedule.

Hayley Jeremiah and Jason Heatman were present for the duration of the audit.

Business Update

Tata Strip are currently profitable, primarily due to a reduction in Chinese exports that has led to an increase in steel prices, and improved Tata spend control. However, it is expected that Chinese exports will increase again towards year end. The Tata selling process is progressing although there is no formal indication of the number of bidders that are involved. Despite the uncertainty regarding the future of the organisation the staff remain optimistic. Approx. 440 staff remain in manufacturing at Llanwern following the loss of predominately contractors and Agency staff as a result of mothballing.

A summary of the annual plan for 2016/17 was presented. This included specific elements related to Customer Focus, People, Operational Excellence, Innovation and Responsibility. There had been a small number of complaints, these related to light pollution from the illuminated rail sidings. Modifications were made to the spotlights and no further complaints have been received. This was a good example of Tata working with complainants to resolve issues in an efficient and effective manner. The 45% recycling target had been achieved for Waste Management activities. During the year ten EIFs (near misses) had been raised, typically for issues such as minor spillages and poor waste segregation. Looking forward there were plans that included a range of activities and projects, those mentioned included; Isolation from Air Products, installation of EU ETS monitors, Environmental Topic awareness, improvements in waste segregation, trial electronic duty of care for waste consignments, Energy Wave improvements (reduction in leaks on Zodiac). In addition it was confirmed that the Auto Finish Line (AFL) project was continuing.

Review of actions from last CAR form (BS3905IP/0253361)

1. Details on AFL received in Email dated 4/12/2015.
2. Notified to Tata.
3. Tata to confirm in writing the preferred approach
4. Completed.

Site Inspection

The following parts of the installation were visited; Package Boiler Plant, Lagoon 14 and W1 monitoring/discharge point, and the Waste Management Centre (WMC). At the time of the inspection the weather conditions were dry.

The WMC appeared to be a well-managed facility. Since the mothballing of some parts of the site the received waste volumes had decreased. As far as possible all waste was being segregated to maximise recovery options. Inventories were being maintained at a low level, although for some streams minimum volumes needed to be accumulated to ensure waste movements from site were financially viable. There were facilities for compacting and crushing as appropriate. It was noted that one of the most difficult wastes to find a recovery outlet for were rubber belts and seals that incorporate steel. External to the main building there was an inventory of white goods including fridges. It was noted that SIMS were not currently accepting fridges (subsequent enquiry with the NRW regulating officer for the SIMS plant indicated that the plant had technical issues that had reduced processing capacity, it was planned that this would improve within the next two months). It was noted that there had been occasional circumstances when staff had brought domestic appliances on to site. The permit does not allow receipt of such items and staff must be actively discouraged from such practices. **Action (1): Tata.**

The Package Boiler Plant was visited. All three boilers had been derated so the combined capacity (thermal input) is below the 50MWth threshold. Paperwork confirming this had been provided previously and this was also confirmed by inspection of one of the boiler identification plates. The plant's operational pattern had not been influenced to a large extent by the shutdown of some of the installation's operations, but it was noted that the Hot Mill becomes a net producer of steam during normal operation. The boiler house was in a good condition and evidence was provided that a comprehensive range of checks were in place covering all aspects of operation. Water treatment chemical bunds were inspected daily.

Lagoon 14 and the W1 monitoring point were inspected. The monitoring probes are subject to regular cleaning and appeared to be in a good condition. The rate of discharge was low and the water condition good. Lagoon 14 was walked around. It was clear that there was a significant amount of sediment in the lagoon (an inserted stick suggested ~30cm at the edge of the lagoon). There was also significant vegetation growing in the water at the lagoon edge (primarily reeds). It was noted that there are plans to clean the lagoon, however, this would clearly have an impact upon the quality of the W1 discharge. NRW would be receptive to a request for a short term derogation of the suspended solids limit during the cleaning programme as there would be a long term benefit. Tata should keep NRW informed of the plans. **Action (2): Tata.**

Audit items

<u>Maintenance procedures for mothballed plant.</u>

The procedures that were in place to ensure mothballed parts of the installation were maintained and would not lead to any environmental incidents were discussed. Tata have a Management of Organisational Change (MoOC) procedure to cover these aspects (designed to cover mothballing and/or structural change impacts). This should ensure the risks are identified and appropriate actions are put in place. A detailed lists of actions had been identified (~660 in total), not all these were environmental related, but many were. Specific examples for the Hot Mill Clarification Plant and Cooling Towers were cited. It was confirmed that there are ongoing inspections (typically quarterly) and in some cases normal intervention checks. In addition some areas such as the Hot Mill were subjected to daily visual walk through checks. Overall Tata appeared to have a comprehensive system in place that should minimise the risk of any environmental impacts from plant mothballing and during restart.

<u>Maintenance procedures for acid scrubbers and pickle line.</u>

Scrubber area maintenance plans were provided for subsequent review together with work instructions. The list included tasks scheduled from a 2 day to 26 week frequency, repair tasks and other adhoc work items. It was good evidence that there is a comprehensive task tracking system (SAP) that should ensure scheduled work is completed in a timely manner and there are records of this. It was noted in the accompanying description of the acid fume extraction and scrubbing system that there were several references to the Environment Agency and the HCl limit is incorrectly stated under the 'Inspection' section as 5mg/m3. **Action (3):** Tata should update all written documentation such that reference to the Environment Agency is changed to Natural Resources Wales and ELVs are stated correctly.

<u>Installation bund maintenance schedule and inspection records.</u>

It had not been possible to find a complete list of the bunds on sites therefore it was not possible to provide an overview of the maintenance systems and inspection records for all site bunds. It was thought that a complete list did exist and further investigations would be completed to find it. **Action (4):** Tata to provide NRW with a complete list of bunds and their inspection frequency by 31st August. Subsequent to the inspection it was noted that Improvement Condition 9.1 required confirmation that all bunds met the appropriate regulatory standards, however, since that time new bunds have been added, therefore an up to date bund inventory should be complied if the original information cannot be found.

The maintenance regime for a small number of specific bunds was detailed. Package Boiler Plant bunds were being hydraulic tested on an annual basis and evidence for this was detailed on SAP including pictures of the testing. Acid tanks were being inspected on a 13 week frequency and one of these had been taken out of service following identified problems (leaks from tank lids). Repair work was currently in progress.

Overall the systems in place appeared adequate and records of inspection work were available. Evidence was also available that necessary repair work was being carried out.

Package Boiler Plant.

Operational records for the Package Boiler plant were examined during the site inspection. As noted above there were good records being maintained for a wide range of checks being carried out in accordance with the established operational procedures. There was no evidence that any operational issues had arisen as a result of the derating.

AOBs

- Tata-Llanwern are producing an annual noise assessment report in accordance with the ongoing requirements of the Permit (Improvement Condition 9.5). In view of the mothballed status of parts of the installation, the absence of any recent complaints related to noise and that a substantial amount of monitoring data had been built up, NRW would be prepared to relax the ongoing annual requirement for a temporary period.
- The Q1/2016 Form A1/2 indicated that the CO result for A11 (Zodiac Furnace) was high at 1477.7mg/m3. Although there are no limits on CO releases the purpose of including a monitoring requirement was to ensure ongoing combustion efficiency. The Q1 value compares with the Q4/2015 value of 57.4mg/m3. **Action (5):** Tata to provide comment on the procedures that are followed in the event of high CO levels being measured.
- Q1/2015 Form W1 reported a Daily Max. SS value of 180mg/l. This is above the limit value but no Schedule 1 had been provided. Investigation indicated that there was a resample and a value of 28mg/l was measured. **Action(6):** Tata should include relevant comments on the reporting form to cover such instances.
- Since the Package Boiler was derated it is no longer a LCP. Tata have completed reporting Form LCPD 1 for 2015. NRW do not require this Form to be completed for future years and the reporting requirement will be removed from the Permit when it is varied following the BREF publication. **Action (7):** NRW.
- Annual Waste Report 2015. Comment is provided on specific waste streams in this report, however, not all these waste streams can also be identified on Form R1. This is confusing as presumably the specific waste streams are produced routinely. To aid transparency additional detail could be provided in the next annual report e.g. the waste description should be easy to cross reference with Form R1. **Action (8):** Tata.
- The next OMA is due 22/11/2016. A decision will be taken nearer the time as to whether it is appropriate to delay a repeat OMA depending upon the operational status. **Action (9):** NRW.

	EPR Compliance Assessment Report	Report ID: CAR_NRW0022710

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Operator/Permit holder	Tata Steel UK Limited	Date	17/06/2016

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.

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.