Cyfoeth Naturiol Cymru / Natural Resources Wales	**EPR Compliance Assessment Report**	Report ID: 47194/0226321

This form will report compliance with your permit as determined by an NRW officer

Site	The Recycling Group Ltd			Permit Ref	EAWML 47194 EPR/EP3190LG			
Operator/ Permit holder	The Recycling Group Ltd							
Date	27/11/2014			Time in	14:45	Out	15:30	
What parts of the permit were assessed	Operational area during site inspection and a data audit, including review of stage 2 commissioning trials							
Assessment	Check monitoring/sampling	EPR Activity:	Installation	Waste Op	X	Water Discharge		
Recipient's name/position	Robert Sant							
Officer's name	Lara Moggridge, John Davies			Date issued	29/01/2015			

Section 1 - Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations. A detailed explanation and any action you may need to take are given in the "Detailed Assessment of Compliance" (section 3). 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			**Condition(s) breached**
a) Permitted activities	**1**. Specified by permit	C2	Condition 9
b) Infrastructure	**1.** Engineering for prevention & control of pollution	N	
	2. Closure & decommissioning	NA	
	3. Site drainage engineering (clean & foul)	N	
	4. Containment of stored materials	N	
	5. Plant and equipment	A	
c) General management	**1**. Staff competency/ training	N	
	2. Management system & operating procedures	C2	Condition 9
	3. Materials acceptance	A	
	4. Storage handling, labelling, segregation	N	
d) Incident management	**1**. Site security	A	
	2. Accident, emergency & incident planning	N	
e) Emissions	**1.** Air	N	
	2. Land & Groundwater	N	
	3. Surface water	N	
	4. Sewer	NA	
	5. Waste	NA	
f) Amenity	**1**. Odour	A	
	2. Noise	A	
	3. Dust/fibres/particulates	A	
	4. Pests, birds & scavengers	A	
	5. Deposits on road	A	
g) Monitoring and records, maintenance and reporting	**1**. Monitoring of emissions & environment	N	
	2. Records of activity, site diary, journal & events	N	
	3. Maintenance records	N	
	4. Reporting & notification	A	
h) Resource efficiency	**1**. Efficient use of raw materials	NA	
	2. Energy	NA	

KEY: **C1, C2, C3, C4** = CCS breach category **(* suspended scores are marked with an asterisk),**
A = Assessed (no evidence of non-compliance), **N** = Not assessed, **NA** = Not Applicable, **O** = Ongoing non-compliance – not scored

Number of breaches recorded	2	**Total compliance score** (see section 5 for scoring scheme)	62

If the Total No Breaches is greater than zero, then please see Section 3 for details of 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 (e.g. 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 suspended or consolidated scores.
- details of advice given
- any other areas of concern
- all actions requested
- any examples of good practice.
- a reference to photos taken

This report should be clear, comprehensive, unambiguous and normally completed within 14 days of an assessment.

Site inspection:

The site inspection was carried out at the same time as the visit to discuss your 2015 AATF application.

The site was found in a chaotic state with large volumes of waste stored on site. You were struggling to cope with the amount of waste coming onto site. You explained that this was down to the baler being out of operation and was resulting in poor housekeeping on site. This is the second time in recent inspections (this issue was also noted in your CAR form for the inspection on the 15/10/13) that we have found the amounts of waste on site cause for concern due to the out of action baler. Similar to that inspection in 2013, many areas of the site were inaccessible due to the amounts of waste. It is noted that the majority of backlogged waste was refrigeration equipment for which the baler is not to be used. Your stage 1 process was operational and therefore it is expected that despite the baler being broken, you could process the refrigeration equipment to stage 1 and then remove the fridges from site to a stage 2 reprocessor, in line with daily site processes.

You agreed to take and forward photographs of the site as we found it during the inspection and when you had cleared the waste. One photo was sent (on the 24th December 2014) of the site at 10:41 on the 19th December 2014, for when the site had been cleared of the waste. It is expected that you could have cleared the site a lot sooner than the 19th December, if the main action needed was to send the refrigeration equipment onto another site.

Action: by the 13th February 2015, please forward an explanation for the break with the baler and maintenance records.

During the site inspection, it was noted that stage 2 reprocessing had been ongoing on the site, due to the presence of foam briquettes. When asked, you informed us that you had been running more commissioning trials, without notifying NRW prior to the trials. Therefore, the supporting documentation for running the trials was requested, some of which was forwarded and has been reviewed below with the data audit. As you are aware, you are not permitted to conduct stage 2 processes fully until your commissioning validation report has been submitted and approved in writing by NRW, in accordance with permit conditions 9.1.6 and 9.1.7.

Monitoring

Monitoring data and appendix C's for 2014 have been audited. The data audit found some discrepancies which are of concern. To fully understand the data we will need to complete a secondary part of the audit on site with you, so that you have the opportunity to explain your data collection and reporting to us. We will arrange a suitable day and time with you to carry out the second part of the audit.

You have not submitted the required lab reports with your oil sample monitoring since May 2014. We expect these reports to accompany every oil sample data submission as evidence of sampling and testing required to meet standards set out in permit condition 8.1.1.

Action: by 13th February 2015 forward the correct lab reports for the period June-December 2014. And include lab reports with all oil sample monitoring submissions in the future.

It is also noted that the reports you are receiving from your labs (SAL, Manchester) for the sampling of the oil are not to UKAS standard.
Action: Review your sample analysis in line with accredited standards.

A1: Specified Activities and C2: Management Systems & Operating Procedures – C2 (Permit condition: 9 and your commissioning plan)
As noted above supporting documentation was requested during the site inspection, to document and evidence the compliance of the stage 2 reprocessing trials you said you had carried out during the inspection. This information was requested by the 11th December. You provided a table of data by this date. It is considered appropriate that when intending to conduct trials NRW is informed of dates and times you propose to run the trials, especially in the event of any incidents occurring at the site.

As detailed in your permit, outlined in section 6 (version 6) of your commissioning plan, and as detailed in an email on the 10th December 2013, the specified requirements for your trials and to enable fully commissioning your stage 2 plant (for ODS WEEE) are as follows:

- quality assurance reports from qualified staff
- validation of results from commissioning trials carried out by adequately experienced engineers
- evidence that the monitoring equipment is calibrated and service in accordance with manufacturer's recommendations
- Records of
  - Specified details of measurements/samples from trials to support analytical and QA requirements, including dates, times, locations, personnel undertaking monitoring
  - Results of measurements/sample analyses with error limits
  - Interpretation and review of results by a qualified person
  - Validation of accuracy and validity of results by a designated quality assurer
- Records need to include
  - Numbers and unit types destroyed
  - Actual quantity of blowing agent collected
  - Results of testing residual materials to meet standards
  - Quantities of residual materials as specified in 6.2
  - Records of emissions monitoring results
  - Details of the identities, relevant experience and relevant qualifications of the personnel providing the commissioning validation (including certificates of qualifications)
- Details of how the plant complies with the DEFRA BATRRT standards guidance.

To date we have not received the details specified above. The information submitted at NRW's request is insufficient. Some of the inadequacies are as follows:

- the table does not include any explanations of what the information means
- you do not explain what Code 1 or Code 2 is
- you have not specified the exact amount of blowing agent captured – the amount collected is an estimate and it is not indicated what the units of measurement are
- you have not included any monitoring/sample data which should be being captured to demonstrate that the plant can operate to your permitted requirements
- the table does not sufficiently meet any of the specified requirements above
- in addition, the use of the stage 2 plant appears to be a disposal operation from the number of units put through and from the amount of running time.

On the 24th December 2014, Andrew Sant indicated he would forward individual scanned copies of commissioning trial reports, within the week. These were received on the 27th January 2015, following a request during the conversation with Robert Sant on the same day.

Having reviewed the additional documents it appears that you are processing hydrocarbon and CFC refrigeration units. Your permit currently does not allow processing of hydrocarbon refrigeration units. You have indicated in verbal and written correspondence that you intend to commission the plant for CFC refrigeration equipment only as per your current permit conditions. You have also indicated in previous discussions that the main reason for this is that you cannot correctly certify your plant as safe for stage 2 processing of the hydrocarbons, which are hazardous due to their flammability. Until a variation (as discussed previously) can be raised to amend your permit conditions, and we have the correct level of evidence to show your plant can process the hydrocarbons safely, then you should only be trialling the plant with CFC refrigeration units.

The information you have provided to date does not adequately evidence that the trials carried out are assessing the operations of your plant to a sufficient standard in order to meet your permit requirements. In addition, the trial documentation suggests that the plant is not fit for purpose, as it is suffering regular breaks. If this has been identified we would expect that the plant is revised prior to commencing further trials, and the commissioning plan updated and sent to us for further review following the changes to the plant, this has not been done. The most recent version of the Commissioning Plan we have is version 6, submitted in January 2012. To date, we have not received a more current version of the commissioning plan. Therefore, it is likely that the plan is no longer relevant.

It is concerning from the number of trials that you have run, and over the number of years you have been continuing to run trials, that you still cannot yet provide us with the necessary evidence to show the plant will meet your permit requirements so that you can fully commission the plant.

NRW have given advice and guidance over the past 3 years in the form of site visits with Environment Agency specialists, HSE specialists and discussing and providing information (as above) of exactly what is expected of you for the stage 2 plant to meet permit requirements. We need the correct level of evidence to enable us to assess the operation of the plant in line with your permit conditions. Although we are happy to provide advice and guidance and a level of support, including being available on the phone should you need to contact us, we cannot perform a consultants or mechanical specialist service to enable commissioning of your plant. As a waste refrigeration reprocessor we would expect that you have the ability and capability of providing the necessary in depth detail and evidence as listed above, in order for us to review and sign off the plant. This is logical and goes along with principles of better regulation.

In light of this review and the issues identified in this CAR, we consider it reasonably foreseeable that this breach of your permit could cause at least a category 2 breach to the environment, considering the hazardous nature of the waste. We consider the root cause of this breach to be attributed to inadequate written procedures (i.e. commissioning plan) to ensure full compliance with permit conditions and failure to implement proper procedures. Therefore Category 2 breaches have been given for Specified Activities (A1) and Management Systems & Operating Procedures (C2).

Prior to issuing this CAR form I discussed these issues with Robert Sant on the 27th January 2015, to ensure that you were aware of the breaches. You believe the evidence above is all available on site to show that the trials meet the specified requirements as set out in your permit and commissioning plan. We will attend site next week to review this evidence. The breaches on the CAR have been logged. However, as a show of good faith, if the adequate evidence is provided next week to alleviate all the concerns raised, then I will reissue this CAR form with the breaches removed.

<u>Industrial Emissions Directive</u>
You informed me on the 27th January that you have not submitted your IED application as you intend to process only CFC refrigeration units through stage 2 processing, and therefore the tonnage processed per day will remain below the 10 tonne a day threshold. Your permit will be amended to reflect this tonnage limit in due course, although for the time being your EMS must reflect this tonnage limit. Please note, that as mentioned above your trials indicate that you are processing hydrocarbon refrigeration units as well as CFC/ODS, and that your tonnages may be reaching above this threshold indicating that you may need to reassess your implications under IED.

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Operator/ Permit	The Recycling Group Ltd	Date	27/11/2014

Section 3- Enforcement Response **Only one of the boxes below should be ticked**	
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.	
Other than the provision of advice and guidance, at present we do not intend to take further enforcement action in respect of the non-compliance identified above. This does not preclude us from taking enforcement action if further relevant information comes to light or advice isn't followed.	
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.	
We will now consider what enforcement action is appropriate and notify you, referencing this form.	X

Section 4- Action(s)

Where non-compliance has been detected and an enforcement response has been selected above, this section summarises the steps you need to take to return to compliance and also provides timescales for this to be done.

Criteria Ref.	CCS Category	Action Required/Advised	Due Date
See Section 1 above			
A1	C2	Cease any stage 2 commissioning trials with hydrocarbon refrigeration units and meet all specified requirements for stage 2 ODS commissioning trials	Immediately
C2	C2	Cease any stage 2 commissioning trials with hydrocarbon refrigeration units and meet all specified requirements for stage 2 ODS commissioning trials	Immediately

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 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 which 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 fulfill 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 (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 and taking any resulting action
- preventing breaches of environmental law
- assessing customer service satisfaction and improving its service
- Freedom of Information Act/Environmental Information 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 twenty 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 the officer's line managers. 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.