

IPPC Guidance

Integrated Pollution Prevention and Control (IPPC): Intensive Farming

Interpretation of an Installation for the Intensive Farming Sector

**October 2006
Version 1.2**



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AGENCY**

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IPPC Intensive Farming – Interpretation of an Installation for the Intensive Farming Sector

Record of changes

Version	Date	Change
1	April 2006	
1.1	June 2006	Removal of scenario
1.2	October 2006	Amendment of criteria for determining DAAs and applying the aggregation rule.

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1. Definitions

1.1 Legislation and Guidance

The following legislation and guidance are referred to in this document.

- Council Directive (96/61/EC) of 24 September 1996 concerning integrated pollution, prevention and control (the IPPC Directive)
- The Pollution, Prevention and Control Regulations 2000 (PPC Regulations)
- IPPC: A Practical Guide, Edition 4 (the Practical Guide)
- Environment Agency IPPC Regulatory Guidance Series No 3: Understanding the meaning of "Operator" under IPPC (RGS 3)
- Environment Agency IPPC Regulatory Guidance Series No 4: Interpretation of Schedule 1 to the PPC Regulations (RGS 4)
- Environment Agency IPPC Regulatory Guidance Series No 5: Interpretation of "Installation" in the PPC Regulations (RGS 5)

1.2 Installation

The Installation is one of the key concepts of the integrated pollution, prevention and control regime. It is an offence to operate an Installation after the date specified in the PPC Regulations except under and to the extent authorised by a PPC permit.

An Installation is:

1. a stationary technical unit (STU) where one or more listed activities are carried out; and
2. any other location on the same site where a directly associated activity (DAA) is carried which:
 - (i) has a technical connection with the activities carried out in the STU; **and**
 - (ii) could have an effect on pollution.

Further guidance on the definition of Installation can be found in RGS 5. The meanings of listed activity, STU, same site and DAA are addressed below.

1.3 Listed Activity

A listed activity is any of the activities listed in Schedule 1 Part 1 of the PPC Regulations. The intensive farming listed activities are found in Section 6.9 A (1), namely:

(a) rearing of poultry or pigs intensively in an Installation with more than:

(i) 40,000 places for poultry;

'Poultry' means chickens, turkeys, ducks, geese, guinea fowl and quail whether raised for meat or for egg laying.

(ii) 2,000 places for production pigs (over 30 kg); or

'Production pigs' are pigs, male or female, grown from a weight of 30 kg to the point of sale for either breeding stock or slaughter.

(iii) 750 places for sows.

'Sows' includes 'gilts' and 'sows'. 'Gilts' are female pigs intended for use as breeding stock, after they have left the production herd but before their first litter. A 'sow' is a female pig used for breeding, which has had at least one litter.

N.B. there is no Part B.

Other listed activities set out in Schedule 1 Part 1 that may take place alongside intensive farming activities include larger effluent treatment plants, incinerators and food processing plants.

Several different listed activities may be regulated under the same permit.

Further guidance about listed activities can be found in RGS 4.

1.4 Aggregation of Capacities

The IPPC Directive provides that where one Operator carries out several activities falling under the same subheading in the same Installation or on the same site, the capacities of those activities will be added together for the purpose of determining whether the listed activity threshold is met. This has been transposed into national legislation by paragraph 9(2) of Part 2 of Schedule 1 PPC Regulations (the “aggregation rule”), which states:

“Where a person carries out several activities falling within the same description in Part A (1) or A (2) in different parts of the same stationary technical unit or in different stationary units on the same site, the capacities of each part or unit, as the case may be, shall be added together and the total capacity shall be attributed to each part or unit for determining whether the activity carried out in each part or unit falls within a description in Part A (1) or A (2).”

Paragraph 9(1) of Part 2 of Schedule 1 PPC Regulations adds that the aggregation rule:

“applies for the purpose of determining whether an activity carried out in a stationary technical unit falls within a description in Part A(1) or A (2) which refers to capacity, other than design holding capacity.”

Therefore, it will not be necessary or appropriate to use the aggregation rule where it is clear that the activity carried out in a unit (animal house) is above the threshold specified in the PPC Regulations. Consequently, the aggregation rule will only be applied where one or more units (animal houses) are below the listed activity threshold and all the key requirements are met, namely:

- same activity;
- same site;
- same Operator.

For example, if two intensive poultry rearing units, each with a capacity of 30,000 places were operated on the same site, by the same Operator, the aggregate capacity would be 60,000 places and the relevant threshold of 40,000 places would be exceeded. The two units would be regarded as one Installation and a permit would be required for the Operator to continue to operate.

The expression “same site” which is found in the aggregation rule is not defined in either the IPPC Directive or the PPC Regulations. The issue of what constitutes same site for the purposes of the aggregation rule will be a question of fact in each case. When determining what constitutes the same site in a particular case, the Environment Agency will take into account all the circumstances, including the degree of integration of operations and the proximity of the various units (animal houses). When assessing the degree of integration we shall consider factors such as the presence/absence of:

- permanent/historical farm boundaries;
- biosecurity restrictions;
- independent/integrated services;
- independent/integrated management systems.

If you are uncertain whether your activities should be aggregated, please contact your local Area office for advice.

An example to illustrate the above point

Company X runs an egg laying business with units (animal houses) situated at three locations: Farm A, Farm B and Farm C. Farm B is located across a lane, 50m from Farm A and Farm C is directly adjacent to Farm B, with a distance of only 100m between the farm units. There is one unit at each Farm location: the unit at Farm A has 45,000 places, the unit at Farm B has 50,000 places and the unit at Farm C has 32,000 places. All three Farms are served by a chemical store situated at Farm B.

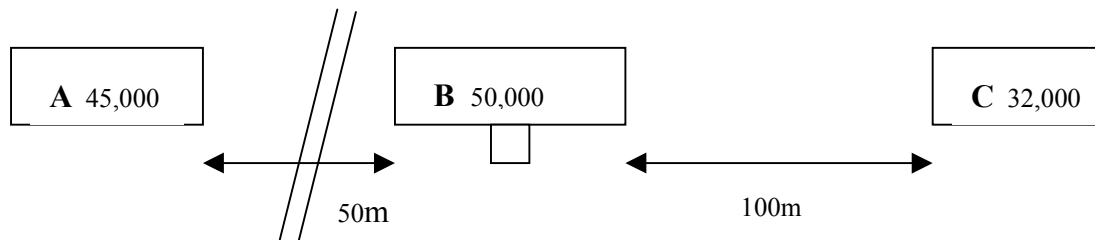
The activities at Farms A and B are over-threshold and will require a PPC permit. The activity at Farm C is under-threshold and will only be regarded as a listed activity and require a PPC permit if it is brought into regulation by the aggregation rule. In this scenario the aggregation rule will apply and the places at Farm C will be aggregated with those at Farm B: they have the same operator, carry out the same activity and will be regarded as being on the same site. As the cumulative number of places at the two units will be 82,000 Farm C will be subject to PPC regulation.

It is still necessary to determine the extent of the installation(s) and the number of permits required. The units at Farms A, B and C are each STUs in their own right. However, the units share a DAA, the chemical store, and as a result of their close proximity and integrated operation they will be regarded as being on the same site. In these circumstances, the STUs will be treated as one STU, there will be one installation (consisting of the STU and the DAA), and one permit will be required.

Even if the house at Farm B were to have only 10,000 places, the application of aggregation rule would bring both Farm B and C within PPC regulation, because the cumulative number of places would be 42,000 and both Farms would be regarded as carrying out a listed activity. The decision in relation to the extent of the installation would be reached in the same way.

If Farms A, B and C were to have only 15,000 places each, they would still be brought within PPC regulation by the application of the aggregation rule. This is because they have the same operator, carry out the same activity and would be regarded as being on the same site by virtue of their integrated operation and close proximity. Again, the decision relating to the extent of the installation would be reached in the same way.

If only Farms A and B were served by the chemical store, Farm C would be brought into PPC as a result of the operation of the aggregation rule, but the decision relating to the extent of the installation would be different. The absence of a shared DAA would mean that the unit at Farm C would be regarded as a separate installation. However, given that the Farms are regarded as being on the same site, the **two** installations (Farms A + B + DAAs and Farm C + DAAs) would be capable of regulation under **one** permit.



1.5 Stationary Technical Unit (STU)

The STU is the functionally self-contained plant or machinery that can carry out one or more listed activities on its own. It must be stationary, and therefore vehicles and vessels in motion are excluded. A unit (animal house) is an example of an intensive farming STU. In addition, movable free-range units that remain stationary during production periods are regarded as STUs.

If there are two or more STUs on the same site (see below) they will be treated as a single STU if they are technically connected and:

1. they carry out successive steps in an integrated industrial activity;
2. one of the listed activities is a DAA of the other; **or**
3. the STUs are served by the same DAA.

There will be a technical connection if:

1. it is **inevitable** that one activity will follow the other or the activities cannot easily be separated;
2. there is a **technical need** for one activity to follow another in quick succession;
3. industry practice suggests this is the case.

For example, where an operator has three 60,000-place poultry units (animal houses) which are all served by a shared feed mill, and the units and the feed mill are on the same site, the three units will be treated as one STU.

Further guidance on the definition of STU can be found in RGS 5.

1.6 Directly Associated Activity (DAA)

A DAA is an activity that takes place on the same site as the STU that meets **all** the following criteria:

1. it is directly associated with the STU, namely:
 - (i) it must be on the same site as the STU;
 - (ii) it must serve the STU; and
 - (iii) where it serves other units the STU must be the principal user (the “**principal user test**”);
2. it has a technical connection with the STU; and
3. it is capable of having an effect on pollution and emissions, either from the DAA itself or the STU.

An activity will be regarded as a DAA of an intensive farming activity if it involves the operation of a facility that serves one or more animal houses, and is on the same site. The expression “same site” in the context of DAAs is not defined in either the IPPC Directive or the PPC Regulations. The issue of what constitutes same site will be a question of fact in each case. When determining what constitutes the same site in a particular case, the Environment Agency will take into account all the circumstances, including the degree of integration of operations and the proximity of the various units. When assessing the degree of integration we shall consider factors such as the presence/absence of:

- permanent/historical farm boundaries;
- biosecurity restrictions;
- independent/integrated services;
- independent/integrated management systems.

To have an effect on pollution and emissions, an activity must potentially release dust, odour, noise, gases, liquids or solids to air, land or water in quantities that would have a significant impact. Therefore, although an egg packing plant would meet the other criteria, it would not usually be regarded as a DAA because such plants normally have little effect on pollution or emissions.

Links such as pipes and conveyor belts between a listed activity and a DAA will generally meet the ‘technical connection’ criterion, for example, a pipe to a slurry lagoon/tank that serves the STU. Operations conducted over short distances within the Installation by wheeled transport, provided that the transport is essentially

dedicated to those duties and effectively performs the function of pipework and conveyors, are also likely to be regarded as technically connected.

In practice, the DAAs commonly found at an Installation will include feed storage, feed mixing, and litter/slurry storage and handling facilities that are connected to houses either by fixed conveying systems or by wheeled transport. For example, the **transport of slurry** to a dedicated lagoon, or the **delivery of feed** to houses on site (either by a vehicle such as a tractor and trailer or by fixed pipework) may be DAAs.

The following activities will **not** be regarded as DAAs:

- landspreading;
- the transport of manure from the Installation to fields using a tractor and trailer;
- the transport from the Installation through permanent or temporary pipework of slurry or dirty water used for irrigation;
- the provision of office and toilet facilities.

Where an activity serves both the STU and another unconnected unit, the STU must be the principal user of that activity for it to be a DAA. An example would be a slurry lagoon used by two independently operated farms, where farm A has 5000 pigs and farm B has only 200. If farm A were the principal user of the slurry lagoon, then it would be a DAA, but if farm B were the principal user it would not. Even if, on the basis of this test, the lagoon was not a DAA of farm A, any pipework between farm A and the lagoon would be included in the Installation. In such a case the boundary of the Installation would be the point where the pipe entered the lagoon.

Further guidance on what constitutes a DAA can be found in RGS 5.

1.7 The difference between 'Installation' and 'Site'

The site is the physical location where the listed and unlisted activities take place. In the intensive farming sector, the Installation and the site are likely in most cases to be very similar in scope and area. The Installation will include the livestock houses, effluent pipelines and other DAAs. The site will be the area covered by the Installation, together with areas of land immediately adjacent to the Installation where there is a reasonable chance of pollution by its activities. For example, narrow strips of land around each animal house where ammonia-laden or feather dust-laden rain run-off might be deposited, and areas outside the main buildings that livestock might walk over or where deliveries of food or fuel might be made. The farm office and staff toilet blocks will not be included within the Installation but may be within the site.

1.8 Operator

The Operator is the legal person (for example an individual, a partnership or a company) that has control over the operation of the Installation. Effective regulation requires both an initial identification of the Operator and continued scrutiny to ensure that the Operator remains in control. A permit must not be granted if the Environment Agency considers that the applicant will not be the person with control over the operation of the Installation.

On the question of what amounts to control, the Practical Guide states that the Operator must demonstrably have the authority and ability to ensure that the permit is complied with. In order to determine whether the control test is met, the Environment Agency will take into account all the circumstances, including factors such as whether the Operator/proposed Operator has the authority and ability to:

- manage site operations through having day-to-day control of plant operation including the manner and rate of operation;
- ensure that permit conditions that will be imposed or which apply are effectively complied with;
- hire and dismiss key staff;
- make relevant investment decisions; and
- ensure that operations are shut down in an emergency.

It should be noted that an applicant might be regarded as being in control of the Installation even if he does not meet all these criteria. In addition, the Environment Agency may take into account factors that are not included in this list.

The PPC Regulations only allow a permit to be granted, transferred to or held by a person who has control of the relevant part of an Installation. If a permit holder loses that control the PPC Regulations expressly empower the Environment Agency to revoke its permit. It is not acceptable under the PPC Regulations for an application to be made by or on behalf of a person who will not have actual control of the Installation. It should be noted that the legal person who owns the land on which the Installation is situated would not necessarily be the Operator.

The PPC Regulations do allow more than one Operator to operate separate parts of an Installation. For example, where a DAA that is not a listed activity is under the control of a separate Operator it will require a separate permit because it is part of the Installation. In such cases a separate permit must be issued to each Operator for that part of the Installation over which it has control. Where there are multiple permits, the Operators must between them be able to operate the Installation in a satisfactory way that meets the requirements of the PPC Regulations, for example, they must collectively address issues such as BAT and environmental impact for the Installation as a whole.

Where two or more Operators run different parts of a single Installation, all of the Operators must submit their applications before each individual application can be treated as duly made.

A permit can be issued to more than one legal person. However, any group of legal persons applying jointly would have to demonstrate how they would exercise joint control of an Installation, and an individual or individuals responsible for incidents of non-compliance would normally have to be identified. Where a partnership is operating an Installation, all the partners will be named on the permit.

Further guidance on the meaning of Operator can be found in RGS 3.

1.9 Capacity

The term "capacity" refers to the potential production of an Installation rather than its actual historical production.

The capacity of an intensive livestock Installation is defined in terms of its potential 'places.' Agricultural Installations, such as those that have laying hens in battery cages, may make provision for a number of animals to be kept in separate small groups, in which case the number of places is a matter of simple arithmetic. Alternatively the Installation may take the form of open plan units (animal houses) which could accommodate a variable number of animals. In such cases the number of places would, in the first instance, be determined by reference to the Defra Welfare Code requirements for stocking density for the livestock in question.

However, the potential Operator may have other limits on capacity that keep him below the threshold, such as the physical capacity of feeding stations for loose-housed sows or the need to meet assurance scheme requirements or comply with other health and welfare standards. In such a case, the potential Operator would need to demonstrate to the Environment Agency that these factors would prevent the facility from being operated at the Welfare Code stocking density. Undertakings alone will not be satisfactory; there will have to be sufficient evidence of restriction.

For example, a site might theoretically have the capacity to keep livestock above the threshold but, in order to meet the requirements of an assurance scheme, the farmer may have to stock at a density below that in the Welfare Code and would never in practice exceed the threshold. In these circumstances the farmer would have to provide sufficient evidence of restriction, for instance, documents evidencing the actual stocking density e.g. flock records, Prima scheme records, supermarket codes of practice and assurance scheme requirements. In addition, the farmer should remove drinkers and feeding lines etc. so that places could not easily be re-commissioned.

Capacity relates to the number of animals that can be housed at the outset of the livestock activity, and is not affected by any attrition that might result in fewer animals surviving to the end of the rearing/production. In addition, the number of animals cannot be averaged over a year, and it is not material that numbers may dip

below the threshold or the site may not be fully stocked for part of the year. It should be noted that exceeding the threshold limit at any time, even temporarily, without a PPC permit is an offence under the PPC Regulations.

Where there is any uncertainty about capacity, potential Operators should contact the Environment Agency as soon as possible.

Further guidance on the meaning of capacity can be found in RGS 4.

1.10 Sensitive receptors

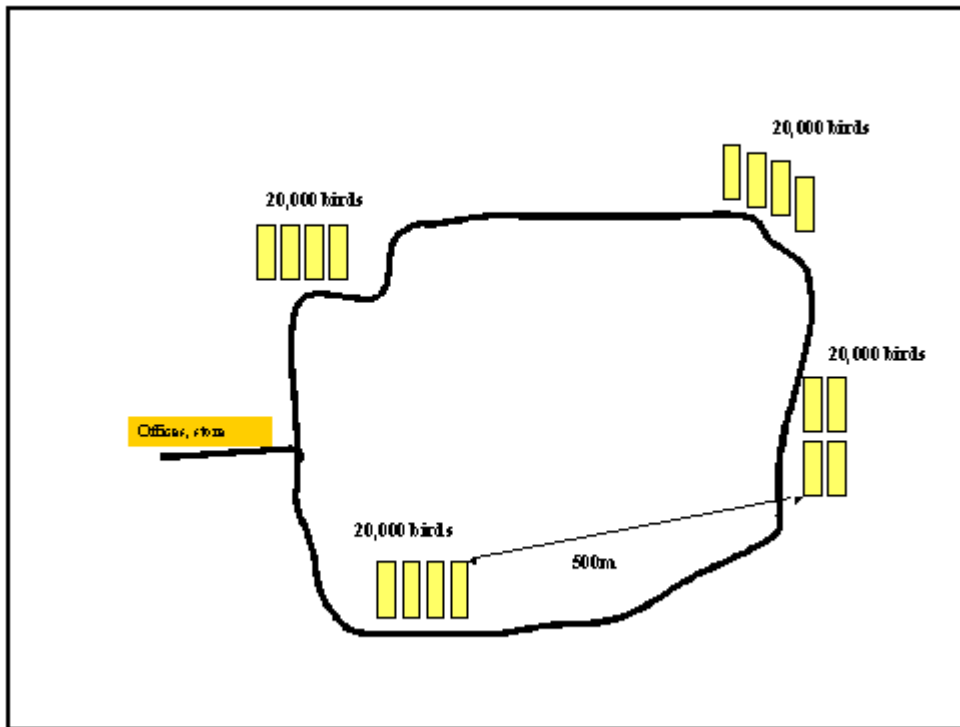
Distances to sensitive receptors are to be measured from the closest practicable point from where an emission may come, in other words, the source. A circle should be drawn on a map to illustrate distances of 400m and 2km from the site of the Installation. In relation to the impacts from ammonia, odour and noise, where the Installation comprises several separate animal houses this may result in several circles being drawn. Sensitive receptors include residential housing, schools, workplaces, and ecological habitats such as Sites of Special Scientific Interest (SSSIs).

2. Scenarios to assist in defining an Intensive Farming Installation

Below are a series of possible scenarios that represent different farm arrangements, together with comments as to whether a PPC permit/s is required and the reasoning behind each decision.

2.1 A poultry farm consisting of four groups of animal houses located around fields, with all of the individual groups being below the threshold

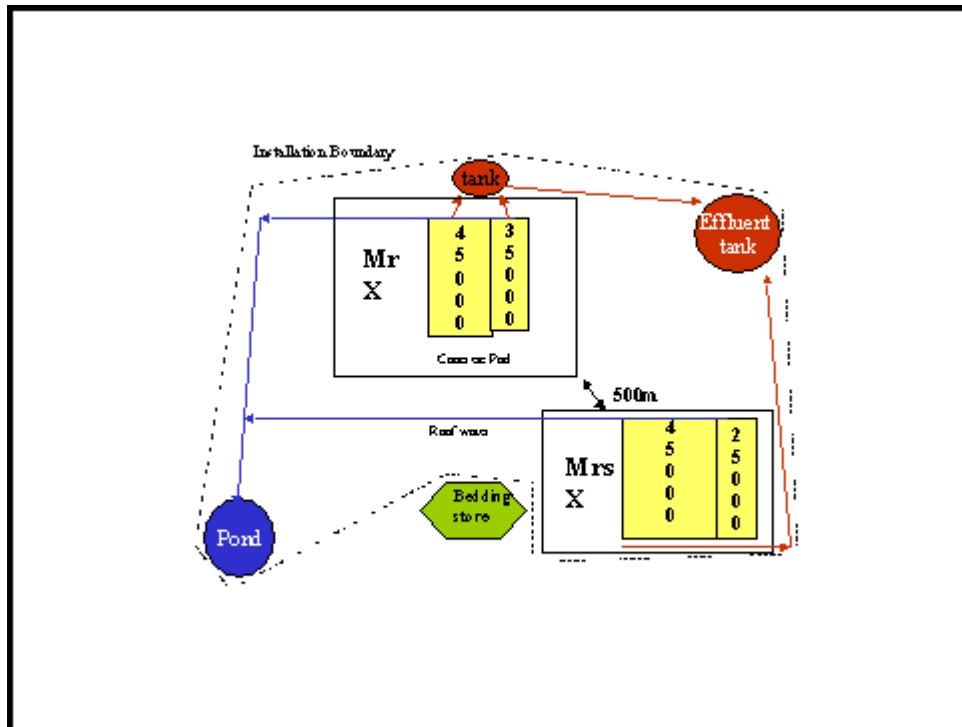
A poultry farm has grown over the years from one animal house to four groups of animal houses, located around fields. Each group houses 20,000 birds.



Comment: Although each group of animal houses is below the threshold, the groups share the same Operator and have common management systems and shared services. As a result they are considered to be on the same site. Therefore, their capacities will be aggregated together, with ONE permit being required.

2.2 A PPC Installation for the intensive rearing of poultry in two houses, each of which is above the threshold, where one is owned by the farmer and one by his wife.

There are two houses within 500m of each other whose combined numbers are 150,000 broilers. The farmer owns one house of 80,000 birds and his wife owns a second house of 70,000 birds. The farmer operates both houses. Rainwater is separated from dirty water and drains to a common pond. Dirty water from each house drains into a shared effluent tank, and is removed on a regular basis.

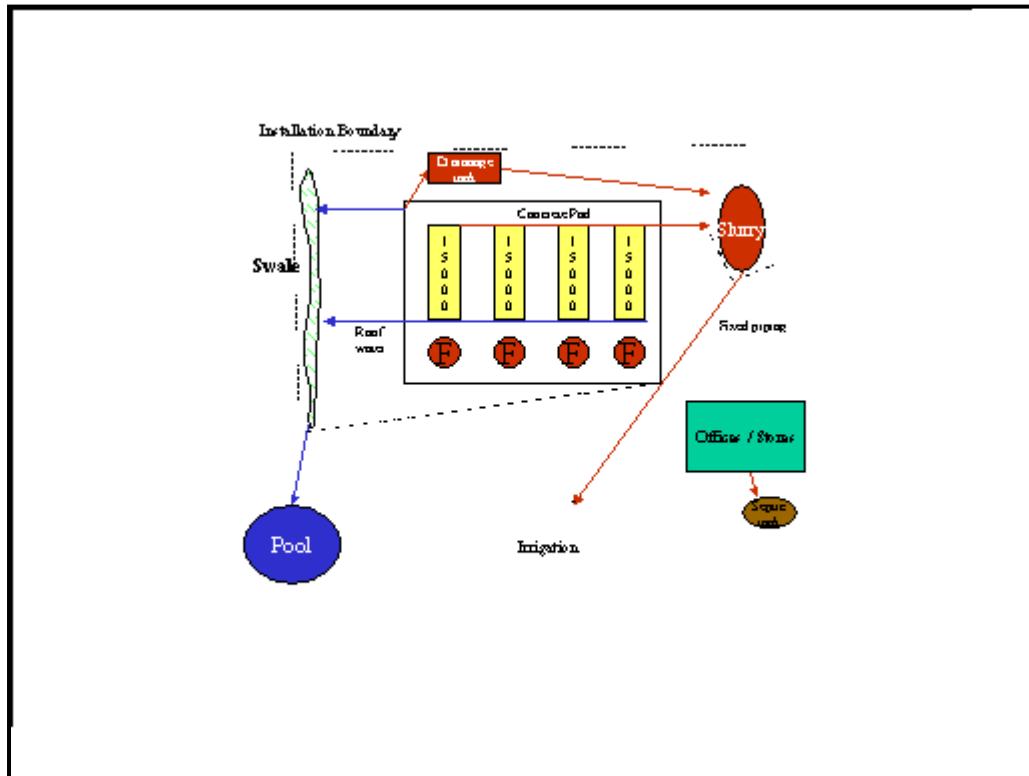


Comment: The activities share the same Operator, are regarded as being on the same site and will be regulated together under ONE permit. The facilities for the DAAs are the shared effluent tank and the surface water system draining to the pond.

However, if it were accepted that Mrs X’s activities were under the control of a different Operator, **two** permits would be required, even though the presence of shared DAAs would mean that the units were treated as one STU and there would be one Installation. The names of both Operators would be on the individual permits and they would share responsibility for the Installation as a whole.

2.3 Where there is an intensive duck farm consisting of four animal houses on the same site sharing some services

An Operator has four animal houses, each housing 15,000 ducks, constructed adjacent to each other. The animal houses stand on a concrete pad with a surface water drainage system that discharges, via swales, to a nearby pond. There is a below ground slurry collection tank whose contents are subsequently pumped through a moveable system permanently connected to the effluent system by pipework onto the 10 ha field surrounding the building. Roof water discharges into the swales, which are on grassland adjacent to the concrete pad.



Comment: The Installation is the 4 animal houses (aggregated together) with the surrounding hard standing. The DAAs are the below ground tank, the effluent collection system and the surface water treatment system consisting of a swale. The pipework outside the boundary of the Installation that connects to the fields is not included as part of the Installation. The pond would only be included as a DAA if it were used as a secondary treatment.

2.4 Where there is a mixed livestock farms consisting of 40,000+ poultry places and 1500 finishing pigs.

Comment: The Operator would only need ONE permit for the poultry operation, as it is the only listed activity; the number of pig places does not meet the relevant threshold. Where an Operator keeps both finishers and sows over the threshold, these activities may be regulated under the same permit even though they are different listed activities. This is because where there are two or more stationary technical units on the same site, those units will be regarded as a single stationary technical unit if:

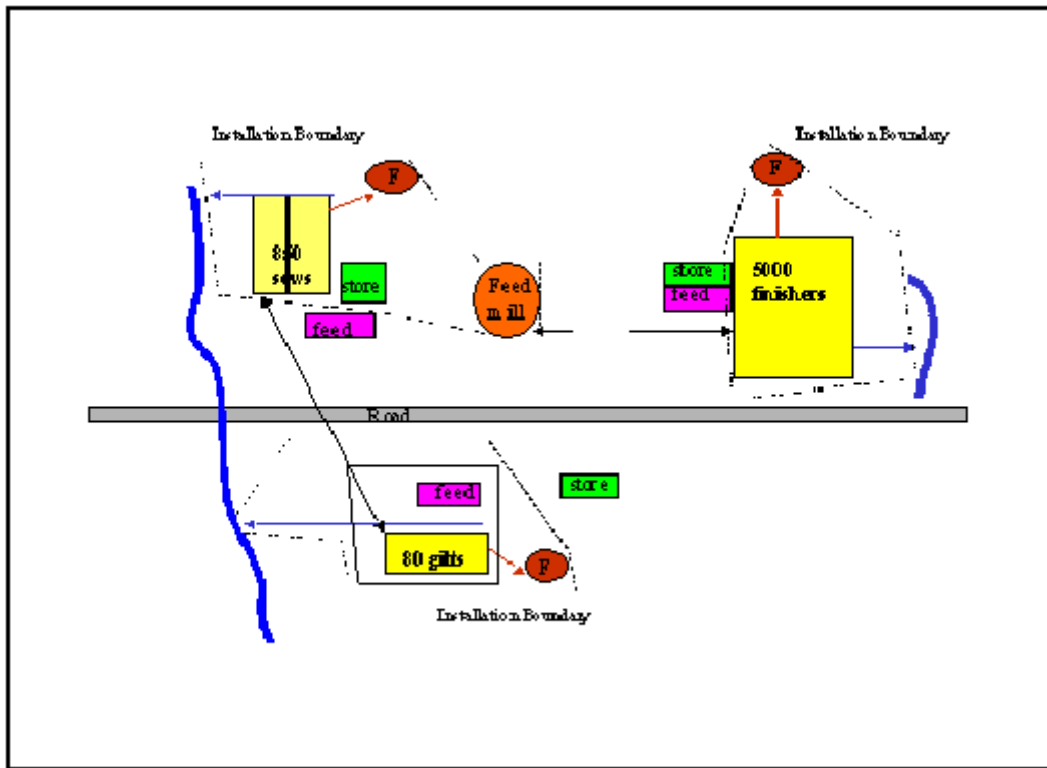
- (a) they carry out successive steps in one integrated industrial activity;
- (b) one of the listed activities is a directly associated activity of the other; or
- (c) both units are served by the same directly associated activity.

2.5 A farm for intensive pig rearing consisting of three groups of animal houses on two sites sharing some services

Sited on various parts of a 2000 ha farm, under the same Operator, are 3 groups of animal houses associated with pig rearing. One group houses 850 sows and their offspring up to around 30 kg in weight; the second houses 5000 finisher pigs over 30 kg, and the third is where feed milling and raw materials/chemical storage are carried out. The mill supplies feed to all pig houses and is below the threshold required to qualify as a food processing listed activity.

Most of the sow houses are adjacent to each other, but there is a house with places for 80 young sows (gilts) located across a road from the main sow houses. There are facilities for the relevant straw and/or feed

storage and/or mixing at each group of animal houses. The finisher pig houses are located east of the feed mill.



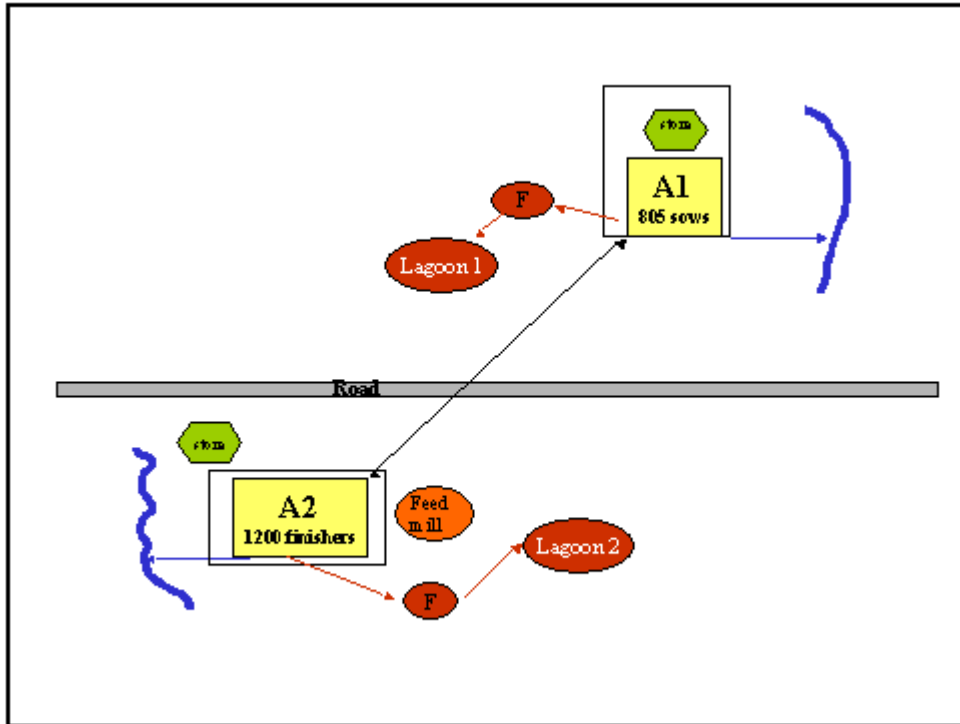
Manure and/or slurry from all houses is stored at the point of production. Surface water from roofs and clean yard drainage is discharged to the river via a soakaway, at each group of houses. Contaminated yard drainage at each group of houses is directed to individual holding tanks and then spread to land.

Comment: There are two listed activities - one for the sows and one for the finisher pigs. The feed mill is a common DAA which serves both activities and brings them within the same Installation under one permit. The other DAAs (which are not shared) are the effluent collection and storage system, and surface water treatment system.

The 80 place animal house for young sows, despite being physically separate from the 850 place house, will be aggregated with it because they are integral parts of the same operation with the same Operator and a common DAA: the feed mill. Therefore, as a result of this degree of integration, the two sow houses will be regarded as being on the same site.

2.6 A farm for the intensive rearing of pigs consisting of two separate animal houses, sows at one location and finishers at another location

Pig house A1 consists of 805 sows and their progeny and is located across a road from the pig house A2, which houses 1200 finisher pigs. The same Operator manages both houses. The feed mill, adjacent to House A2, serves both houses. House A2 receives weaners from House A1 for finishing.



Comment: House A1 is a listed activity, being over 750 sows and will require a permit. House A2 is not a listed activity, and is not a DAA of House A1, so it will not be regulated under the permit. If the feed mill primarily serves House A1 it will be a DAA and will be included in the Installation. However, if it primarily serves House A2, it will not be a DAA of House A1 and will not be regulated under the permit.

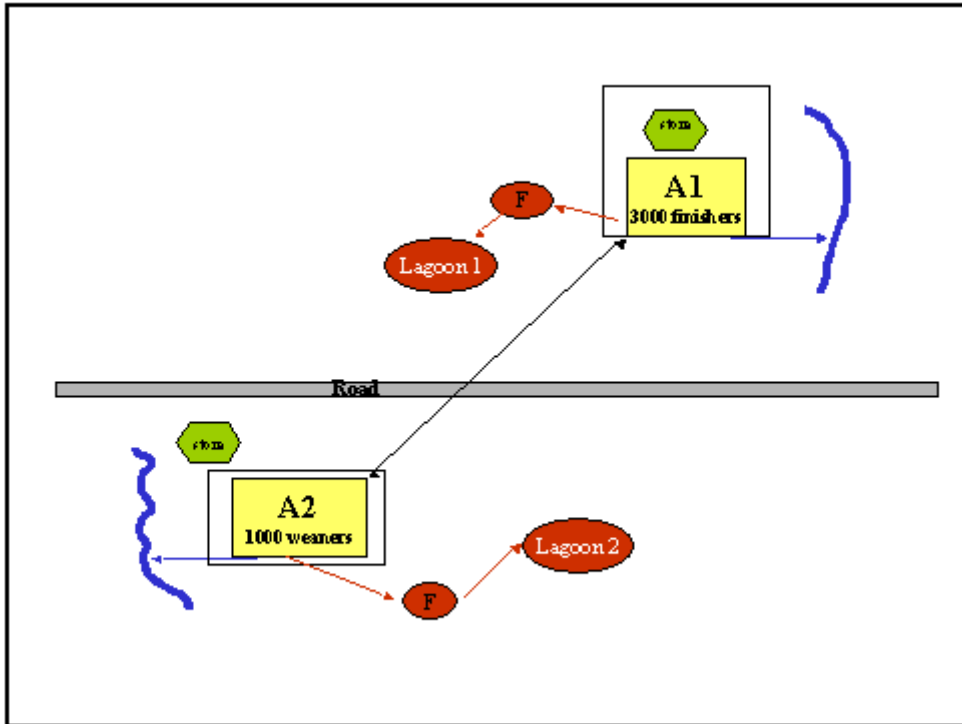
2.7 A site for the intensive rearing of pigs where pigs are sent outdoors for finishing

A pig farm has 2500 pig places for finishers of over 30 kg in four animal houses. They have the same Operator. The pigs are then sent outdoors to fields for finishing at 70kg, so that the houses can be used for the next cycle of weaners. There can be as many as 3000 pigs outdoors.

Comment: As there is one Operator carrying out the same activity in different houses on the same site, the capacities of the houses would be aggregated together, bringing them over the threshold. One permit is required for the 2500 finishers, between 30kg and 70kg, which are over the threshold. Outdoor pig rearing is not included in PPC and would not require a permit.

2.8 A farm for the intensive rearing of pigs consisting of two separate animal houses, finishers at one location and weaners at another location

Pig house A1 consists of 3000 finishers and is located across a road from pig house A2, which has places for 1000 weaners. The same Operator manages both houses. House A1 receives weaners from House A2 for finishing.



Comment: House A1 is a listed activity, being over 2000 finishers, over 30kg and will require a permit. As House A2 serves House A1, by providing weaners for finishing, it is a DAA and, as such, **will** be regulated under the same permit.

2.9 Where the applicant is a holding company and the operations are carried out by a subsidiary company

Comment: An applicant company (the “holding company”) may seek to argue that it can demonstrate control over operations because it owns the majority of the shares in another company (the “subsidiary company”) which in fact operates the Installation. The holding company may assert that this arrangement means that in effect it has control over the operations carried out at the Installation. The Environment Agency considers that such arrangements might undermine the express intention of the PPC Regulations that an Operator should be in actual control of operations at an Installation. In addition, the Environment Agency would have no way of knowing whether any such shareholdings remained in place. In this scenario, therefore, the subsidiary company rather than the holding company would normally be accepted as the Operator of the Installation.

2.10 Where activities within an Installation will be carried out by contractors on behalf of an applicant company

Comment: An applicant company may seek to argue that it is the Operator of an Installation because, although it has entered into a contract with a third party, it retains control over all the operations. Whilst each case should be considered on its merits, the Environment Agency considers that in many situations such arrangements could undermine the express intention of the PPC Regulations that the permit holder should be in actual control of the operations at an Installation. Therefore, in most cases where a company has contracted out the operation of an Installation to a third party, the third party will be the Operator. An exception might be where the third party provides the majority of the staff and the equipment for the Installation, but the company retains the senior staff providing primary management and operational responsibility.

3. Visual scenarios

Key:

STU - a listed activity i.e. places for over 40,000 birds, 750 sows or 2000 30kg finisher pigs
Non STU - a non-listed activity below the thresholds above e.g. places for 15,000 birds, 500 sows
DAA - directly associated activity

DECISION

