

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

5 APRIL 2018

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Report Title	ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) OPTIONS
Purpose of Report	To consider the Environmental Management System accreditation options.
Decision(s)	The Committee RESOLVES to Apply the EMS to ISO 14001:2015 standard.
Financial Implications and Risk Assessment	<p>There is currently adequate resource within the budget to apply the EMS to ISO 14001:2015 standard. The Council will need to ensure sufficient staff time available to co-ordinate and support the EMS.</p> <p>Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk</p> <p>Risk Assessment EMS accreditations are discretionary activities however the verification process helps the Council maintain its good environmental reputation. Several of our contracts specify having an EMS. The environmental standards could slip as there would be no systematic approach of holding services to account.</p>
Legal Implications	<p>The adoption of ISO 14001 is voluntary (as was EMAS) and it is therefore for members to decide whether resources should continue to be directed to achieving an EMS accreditation.</p> <p>Mike Wallbank Solicitor Advocate and Deputy Monitoring Officer Tel: 01453 754362 Email: mike.wallbank@stroud.gov.uk</p>
Report Author	<p>Petula Davis, Principal Project Officer Tel: 01453 754289 Email: petula.davis@stroud.gov.uk</p>
Options	<ul style="list-style-type: none"> • Apply the EMS to ISO 14001:2015 • Stop EMS accreditation • Continue with a non-accredited EMS
Performance Management Follow Up	An EMS is fundamentally about managing performance and following up areas of concern which is brought together each year through the Annual Environmental Statement.

1. INTRODUCTION / BACKGROUND

- 1.1 The Environment has long been a focus for the District Council. It recognises the impact it has on the environment through the services it provides and that it has direct powers and responsibilities to comply, encourage and where necessary enforce. There is a significant amount of environmental legislation that the District Council must comply with, but it is not compulsory to have an Environmental Management System (EMS).
- 1.2 SDC first developed an environmental management system (EMS) in 1997 and has been maintained since. The EMS covers all direct services of SDC and is certified by external auditors to the European Eco Management & Audit Scheme standard (EMAS). This certification will expire on the 31 March 2018. It had been our intention to continue this accreditation for a further year, but our external verification auditors, along with several other providers, have ceased providing this service. The independent verification audit process has been a key delivery and reporting mechanism for the environment priority, through the annual Environmental Statement.
- 1.3 EMAS is based on the ISO 14001 framework (ISO - International Organization for Standardization environmental management). It is annually verified and we have consistently maintained the required standard. The rigor of the audit that the EMAS framework accreditation has provided, not only ensured that the Council's activities show compliance with legislation but it has given the District Council the opportunity to enhance its environmental reputation. In addition to reputation, most of our contracts have environmental considerations and EMAS has allowed us to lead by example.

2. ISSUES FOR CONSIDERATION

- 2.1 Having a recognised EMS accreditation demonstrates a continued environmental commitment to residents, contractors, suppliers, the wider business community and voluntary & community groups. This has been reflected in the several formats including funding bids and more notability in the 2017 Budget consultation with 85% of businesses and 76% of residents being 'satisfied that SDC is working to improve the environment'.
- 2.2 Following our EMAS verification auditors withdrawing their service and giving consideration to the implications of Brexit, it was decided not to continue with EMAS and to look at alternative options.
- 2.3 Bristol City Council, our current internal environmental auditors, were commissioned to carry out a gap analysis, to identify the work needed to

upgrade our current EMS to the ISO14001:2015 standard. BCC were also asked to consider the value of the EMS to SDC, and to outline the risks and opportunities of stopping EMS related activities. The findings of their gap analysis are set out in the appendix.

- 2.4 In addition to the gaps cited by BCC, financial and staffing resources have to be considered. The costs of the transition to the new ISO 14001:2015 standard have been quoted and are of a similar rate to that of our current audit costs, approximately £6k pa.
- 2.5 The Committee has three options to consider:
- Option 1 - Apply the EMS to the ISO 14001:2015 standard
 - Option 2 - Maintain an uncertified EMS
 - Option 3 - Stop all EMS related activities
- 2.6 Option 1 would require in the short term a dedicated resource to enable the transition and after which a part time resource to oversee the co-ordination. The opportunities are set out in the appendix.
- 2.7 Options 2 and 3 have been highlighted in Bristol City's report as risks (threats) to SDC,

'If SDC chooses to not upgrade its current system, or cease EMS-related activity, there are likely to be the following threats:

- *Loss of corporate memory as knowledgeable individuals leave the organization over time*
- *Increased risk of legal non-compliance and pollution incidents*
- *Missed opportunities to save money and resources*
- *Missed opportunities to obtain best value from contractors*
- *By removing external auditing, SDC loses a strong motivator for teams to comply with EMS requirements'*

3. CONCLUSION / RECOMMENDATION

Given that the current EMS accreditation expired at the end of March 2018, the recommendation is that SDC apply the EMS to ISO 14001:2015 standard.

Members can decide to discontinue the EMS altogether at this time or to manage our own unaccredited EMS at lower cost. Neither of these options are recommended as the lack of rigour and audit of legal compliance make such approaches significantly less attractive.

Appendix 1: Summary of findings from Bristol City Council Gap Analysis Report

1. Brief:

SDC commissioned Bristol City Council to perform a “gap analysis” to identify the work necessary to upgrade its existing EMS to ISO14001:2015, consider the value to the organisation of that work, and to identify the risks and benefits of leaving its Environmental Management System (EMS) in its current operational state. The findings are summarised in the SWOT analysis below.

A selection of operational teams were interviewed, as well as Barry Wyatt (as management representative) and Petula Davis (who maintains the current EMS).

2. Background:

Stroud District Council (SDC) operates an Environmental Management System (EMS) across all of its direct services. The EMS is certified by external auditors to the EU Eco Management & Audit Scheme standard (EMAS). SDC’s current certificate expires in March 2018, but an upgrade to the revised EMAS IV standard (launched in 2017) is not being considered for the following reasons:

- i) There are no auditors available in the UK who are qualified to perform the assessment
- ii) There is no mechanism for maintaining the standard once the UK leaves the EU

SDC is therefore considering three other options:

- i) Certifying its EMS to the international standard ISO14001:2015. This international standard is similar to the revised EMAS IV standard, but is much more widely adopted and can be certified by a large number of external auditors.
- ii) Maintaining an uncertified EMS
- iii) Stopping EMS-related activities

3. SWOT

Strengths:

- SDC has operated an EMS registered to the EMAS standard for 19 years and it shows: generally, staff understand environmental impacts related to their work and are able to demonstrate actions taken to reduce their impacts.
- Overall, the council has a strong record of reducing its operational impacts and implementing low carbon energy generation
- SDC has developed innovative, low-cost solutions to environmental problems, for example the rural SUDS initiative

Weaknesses:

- In recent years, the resource allocated to maintaining the EMS has been reduced, which is starting to manifest itself in some areas: for

example, some documentation (e.g. registers of environmental impacts) is out of date

- Maintenance of legal compliance and delivering environmental improvements are heavily reliant on individuals and their memories. This can lead to critical dependencies which represents a risk to the organization
- Day-to-day processes are not well documented, and would be at risk of failure if individuals were to leave the organization, or change roles
- Staff are not always proactive in checking the compliance of contractors with legal and/ or contractual obligations, and the implementation of contractor controls and specifications is inconsistent

Opportunities:

Upgrading SDC's EMS to be compliant with the requirements of ISO14001:2015 would deliver the following benefits:

- Improved resilience: documenting day-to-day processes would reduce reliance on individuals
- Improved risk management: the standard's stronger focus on legal compliance and emergency preparedness means that SDC reduces its legal and pollution risks
- Reputation: SDC would have an auditable record of its corporate commitments, enabling it to demonstrate that it does what it says it will do.
- Efficiency: a commitment to continual improvement would ensure that SDC continues to identify and reduce its environmental impacts, saving money on energy, travel, water and waste. Improving contractor management would deliver better value for money.

Threats:

If SDC chooses to not upgrade its current system, or cease EMS-related activity, there are likely to be the following threats:

- Loss of corporate memory as knowledgeable individuals leave the organization over time
- Increased risk of legal non-compliance and pollution incidents
- Missed opportunities to save money and resources
- Missed opportunities to obtain best value from contractors
- By removing external auditing, SDC loses a strong motivator for teams to comply with EMS requirements