

# Corporate Policy and Strategy Committee

10.00am, Tuesday, 26 February 2019

## Sustainability Audit

Item number	7.3
Report number	
Executive/routine	
Wards	
Council Commitments	

### Executive Summary

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This report recommends that the committee accepts in full the Sustainability Audit findings presented at Corporate Property and Strategy (CP&S) on 4 December 2018 and agrees to set an ambitious agenda for sustainability and climate change activity within the Council.

The report also highlights the potential challenges and resource implications that will need to be considered in taking forward these recommendations and seeks agreement for officers to explore the opportunities to increase the resources, capacity, and expertise needed to deliver a more strategic and ambitious agenda by working with external sustainability and climate change partners.

The report lays out the process by which officers will develop a comprehensive plan to deliver a change in approach for the next committee meeting in May.

## Sustainability Audit

### 1. Recommendations

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- 1.1 Having considered the options proposed in paragraphs 3.3-3.9, agree that the Council pursues Option 2 and accepts the full recommendations of the Sustainability Audit
- 1.2 Agree the Council explores opportunities to work with expert partners to progress and develop a Sustainability and Climate Change Delivery Plan
- 1.3 Note the timescales for progress in paragraph 3:12

### 2. Background

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- 2.1 Corporate Policy and Strategy received a report on 4 December on the findings of an audit by Professor Andy Kerr (Edinburgh's Centre for Carbon Innovation) on the Council's sustainability and climate change activity.
- 2.2 The full audit identified multiple strategies and statutory duties within the Council, but highlighted that there is limited coherence in delivering the cross-cutting social, economic and environmental benefits that arise from meeting sustainability outcomes.
- 2.3 The report highlighted that the City of Edinburgh Council has an unprecedented opportunity to set Edinburgh on a course that will deliver rapid improvements in social and economic wellbeing for its citizens, as well as meeting stretching climate and environmental targets. This would put Edinburgh at the forefront of global cities
- 2.4 The report was clear that the Council faces a choice about whether it wants incremental improvements in outcomes, which build on existing resources, good practice and more joined up internal efforts across service areas, or whether it wants to drive an ambitious agenda that capitalises on the opportunity for enhancing social, economic and environmental wellbeing in the city.
- 2.5 The latter option requires, as a minimum, iconic targets, third party investment and radical new partnerships with external partners to support delivery. To deliver this more ambitious sustainability agenda, recommendations were made for the Council to (a) recognise and embed the social, economic, environmental opportunity that exists from setting and delivering challenging sustainability goals, and (b) accept recommendation in five broad areas:

#### 2.5.1 Vision and Strategy

## 2.5.2 Leadership and Governance

## 2.5.3 Internal Resources, Capacity and Skills

## 2.5.4 Finance and Investment

## 2.5.5 Partnerships

### **Audit recommendations**

2.6 Professor Kerr made a number of specific recommendations under these headings which would support the Council to make immediate improvements and inform the next iteration of the Edinburgh Council Sustainability Strategy, which is due by 2020.

2.7 If the City of Edinburgh Council is to be ambitious and capitalise on the opportunities presented by the sustainability and climate change agenda, the audit recommended that:

### **Vision and Strategy: The Council should**

2.7.1 develop and deliver an ambitious long term city strategy and action plan for sustainability that recognises the social, environmental and economic opportunity that this agenda presents for the city and the Council

2.7.2 set iconic targets – for example a mobility strategy that removes the need for petrol/diesel vehicles in the city by 2030 and a buildings strategy that ensures local communities are energy positive by 2030. These iconic targets should place Edinburgh as a leading sustainable city for human wellbeing in the UK and delivers against the longer term City Vision

2.7.3 develop policy priorities which focus on delivering strategic sustainability outcomes, rather than narrowly defined sector targets, while giving due regard to legislative requirements.

### **Leadership and Governance: The Council should**

2.7.4 be clear on its collective political prioritisation which needs to set sustainable outcomes at the heart of its economic and social, as well as environmental goals

2.7.5 improve the clarity and visibility of its corporate leadership and governance of sustainability and climate action

2.7.6 embed sustainability outcomes in the key performance indicators of existing service delivery directors to effectively mainstream responsibilities

2.7.7 situate strategic coordination of sustainable development within corporate services, coupled with clear lines of responsibility to service delivery functions

2.7.8 ensure the “virtuous circle” between reporting outcomes and future action is embedded in sustainability governance.

### **Internal Resources, Capacity and Skills: the council should**

- 2.7.9 ensure sufficient resource is available to undertake cross-cutting functions operating between service delivery areas, where many of the social and economic opportunities are to be found (between social care, health, energy, transport, green spaces, food)
- 2.7.10 invest in dedicated resources with the skill sets (in particular, around commercial expertise) to develop, implement and procure projects going beyond the business case and through procurement to delivery and linked to a refresh of the Council-owned energy service company<sup>1</sup>

### **Finance and Investment: the council should**

- 2.7.11 ensure decisions about investing in city infrastructure (buildings, transport, green spaces) make explicit the life-cycle financial (capital + revenue) and carbon costs of different options, and work on the assumption that Scotland will be expected to be zero carbon before 2050
- 2.7.12 work with a range of financial institutions to identify how best the council might partner with these organisations to co-invest in and deliver city-scale sustainability projects
- 2.7.13 examine different contracting models, joint ventures and the risks entailed with these in determining how best to progress some of its projects that involve multiple partners.
- 2.7.14 re-examine the objectives and purpose of Energy for Edinburgh and give that entity sufficient resource to support the delivery of the SEAP.

### **Partnership and collaboration: the council should**

- 2.7.15 improve the effectiveness of partnerships by moving from its traditional approach to explore and apply different partnership models that address specific sustainability challenges in the city (from local food to clean energy provision and smart cities/districts)
- 2.7.16 work with partners to build local Edinburgh innovation ecosystems with local companies, social enterprises, civic groups, entrepreneurs, Universities, and Colleges, and use these partnerships as a broker between the “problem holder” - the City Council - and the “problem solver” - social enterprises and local businesses

### **Further Activity**

- 2.8 Since the committee last met Professor Kerr has participated in an Edinburgh ESCo Board meeting and attended a Corporate Leadership Team meeting on 16 January

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<sup>1</sup> A separate EIT Climate-KIC funded project on “Financing Sustainable Cities” is helping identify barriers to accessing external finance in the city.

with colleagues from Climate KIC - a European knowledge and innovation community, working to accelerate the transition to a zero-carbon economy.

### 3. Main report

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- 3.1 The Sustainability Audit was clear in the opportunities and challenges facing the Council in respect of its approach to sustainability and climate change. The report was also clear that the Council faces a choice as to whether '*it wants incremental improvements in outcomes, which build on existing resources, good practice and more joined up internal efforts across service areas, or whether it wants to drive an ambitious agenda that capitalises on the opportunity for enhancing social, economic and environmental wellbeing in the city.*'
- 3.2 The audit detailed that there is significant activity on sustainability and climate change across the council that, while very good in places, could be improved and made to have greater impact and better outcomes. This could be done within current resources by being better and strategically coordinated.
- 3.3 The audit also challenged the Council to consider the opportunity which exists to further develop itself as an organisation and Edinburgh as a city in a way which would fulfil its potential to be nation leading in respect of sustainability and climate change.

#### **Responding to the audit findings: Option 1**

- 3.4 As suggested, the Council could look to improve its impact on sustainability and climate change within current resources by improving strategic coordination and collaboration on activity across council departments.
- 3.5 Under this option the Council would be choosing to continue with its current approach to sustainability through a combination of specific activities albeit with a focus on improved coordination, delivery and greater overall impact. The Council would seek greater impact and continuous improvement in the delivery of Council commitments supported by better strategic coordination.
- 3.6 This approach would recognise the scale of an already challenging set of ambitions across the breadth of the work of the Council including; the change strategy, city transformation, transport policy, affordable housing investment, poverty, educational attainment and health and social care. The Council would adopt a pragmatic and deliverable programme of improvement in respect of sustainability and climate change that more effectively delivers best value for the organisation and improvement in outcomes for Edinburgh's citizens.
- 3.7 Option 1 would be achievable with limited impact on staff resource and configuration and wouldn't require new and innovative approaches to delivery and investment.

## **Responding to the audit findings: Option 2**

- 3.8 Alternatively, the council could set what Professor Kerr called an '*ambitious agenda that capitalises on the opportunity for enhancing social, economic and environmental wellbeing in the city*'. This would require the council to '*set minimum, iconic targets, which utilises third party investment and radical new partnerships with external partners to drive change*'.
- 3.9 Professor Kerr was clear that successfully delivering such an ambitious approach would entail accepting all his detailed recommendations and most importantly, would require the council to work in new and innovative ways with key experts, partners, businesses, and finance and investors within the city.
- 3.10 Taking this approach would, in essence mean politically and operationally prioritising the mainstreaming of sustainability across all of the already ambitious and challenging work being progressed by the council. This would be done at the same time as ensuring that current commitments and activities directly contributing to sustainability and climate change are better and strategically coordinated and improved.
- 3.11 This would be a precursor to, and set the tone for, the new sustainability strategy for 2030 and would actively look to make progress on the emerging themes and priorities of the City Vision 2050.

## **Recommendation**

- 3.12 Both the options detailed above are viable options for consideration however, option 2 is recommended to committee members. There is currently a significant political and economic focus on sustainability and climate change that presents the Council with a real opportunity to capitalise on the potential, experience and resources that exist in the wider city and would ensure that Edinburgh is a leading sustainable city. This approach would also take account of the motion 'Climate Emergency 2030' as agreed at full council on 7 February.
- 3.13 Immediate resource implications in terms of capacity, coordination and staffing for this level of ambition needs to be scoped but progressing option 2 would initially be supported by current staff capacity in Place and Strategy and Communication as well as through the planned review of senior managers.
- 3.14 However, it is clear from the experience of other organisations which have taken an ambitious approach to sustainability and climate change that dedicated resource and capacity is needed to affect a meaningful step change in ambition. This requirement is likely to go beyond the resources that can be currently identified within the Council. Officers will need to come back to committee once a fuller picture is known at which point elected members will need to consider either how resources can be identified or the viability of the plan and the relative priorities within it.

- 3.15 In the short term, officers will, with committee approval, seek out opportunities to access support, skills and resources from wider sustainability and climate change experts and partners.

**Next steps**

- 3.16 With committee approval, the next steps for progressing with option 2 are as follows:

<b>Timescales</b>	<b>Activity</b>	<b>Responsible division</b>
February /March	detailed engagement with each political group on the development of the delivery plan	Strategy and Comms
	seek out opportunities to access support, skills and resources from wider sustainability and climate change experts and partners.	Strategy and Comms
March	Staff workshops	S&C, Place
March /April	wider partner and expert engagement	Strategy and Comms
	Comprehensive delivery plan drafting	S&C, Place
April	further engagement with council political groups on the emerging detail	Strategy and Comms
May	CP&S report on proposed comprehensive delivery plan	Strategy and Comms

**4. Measures of success**

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- 4.1 The review of senior managers strengthens the initial staffing capacity in the necessary parts of the Council to design the new delivery plan. The plan is submitted on time to the Council for consideration in May with the knowledge and support of city wide partners. Opportunities to access funding skills and capacity by collaborating with sustainability and climate change experts and partners are identified and where possible agreed.

**5. Financial impact**

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- 5.1 The review of senior managers will strengthen the staffing capacity in the necessary parts of the Council and address initial staff resourcing implications. Further support

and expertise will be sought from city sustainability experts and partners. The delivery plan will detail any further financial implications for Council consideration including the potential for this approach to be a source of income generation.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 These will be identified alongside the plan in May

## **7. Equalities impact**

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- 7.1 The equalities impact will be detailed alongside the proposed delivery plan but these are expected to be positive; addressing social sustainability alongside economic and environmental sustainability.

## **8. Sustainability impact**

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- 8.1 The sustainability impact of this report will be detailed in the proposed delivery plan but is expected to be positive.

## **9. Consultation and engagement**

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- 9.1 Consultation and engagement is planned as detailed in the report for the next stage of development of the delivery plan

## **10. Background reading/external references**

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- 10.1 [4 December Corporate Policy and Resources Committee report on Sustainability \(Item 7.5 – Sustainability Audit\)](#)

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## **11. Appendices**

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