

Policy and Sustainability Committee

10.00am, Thursday 6 August 2020

Council Response to the Scottish Parliament's Inquiry into a Green Recovery

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that Policy and Sustainability Committee agree the consultation response.

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Council Response to the Scottish Parliament's Inquiry into a Green Recovery

2. Executive Summary

- 2.1 This report provides a summary of the proposed Council response to a call for views made by the Scottish Parliament's Environment, Climate Change and Land Reform (ECCLR) Committee which is holding an inquiry on a green recovery. It builds on the recommendations of the Edinburgh Climate Commission welcomed by Committee on 25 July 2020.

3. Background

- 3.1 In April 2020, the Scottish Government suggested that it would consider incorporating a green recovery into the Climate Change Plan (CCP). Following a meeting with the ECCLR Committee in June 2020, the Cabinet Secretary for Environment, Climate Change and Land Reform, announced that Ministers hoped to publish a revised CCP in December to align with the Scottish Budget and meet climate targets to 2032. The inquiry closes on 7 August 2020.

4. Main report

- 4.1 This Parliamentary inquiry centres on four themes to deliver a green recovery (highlighted in bold below). A brief summary of the Council's responses is included below each theme. In addition, the response highlights that ultimately there is no 'one size fits all' solution, and to deliver a truly green recovery Local Authorities must have a new transformative model of governance that gives the flexibility and accountability needed to locally respond to challenges, now and in the future, around economic change as well as future health and climate emergencies.
- 4.2 **Setting out a comprehensive framework for guiding an effective green recovery in Scotland**
- 4.2.1 The Council identifies that a successful green recovery should be one that delivers for the long term, catalyses job creation into growth industries, empowers citizens, improves public health and drives innovation while tackling climate change.

4.2.2 Such actions can only be delivered through Central and Local Government working together to enable change with input from business, the third sector and citizens.

4.3 **Recognising the key barriers to delivering a green recovery**

4.4 A green recovery in Edinburgh requires the national and local legislative, policy and fiscal environment to:

4.4.1 Provide significant public investment and stimulus to realise the economic opportunities of a green recovery

4.4.2 Develop investment programmes targeting projects which combine strong short-term benefits (such as job creation) while contributing to climate action and the national and city carbon target

4.4.3 Stimulate local business supply chains – through strategic use of public and major private sector procurement budgets – targeting development of strategically important supply chains for a net zero economy

4.4.4 Embed and build on the increased local powers and flexibility brought about by the emergency response to the pandemic

4.4.5 Recognise the need to invest in citizen resilience as well as business resilience, and that the mental and emotional stability of the workforce will be an important bedrock to a successful recovery

4.4.6 Prioritise place-based solutions built around strong relationships with communities, backed up by investment in community capacity and wealth building

4.4.7 Recognise the importance of open and green space in urban areas to physical and mental resilience of communities, the economic attractiveness of the city, and to the climate agenda.

4.5 **Identifying the key policies, actions and immediate priorities the are needed to deliver a green recovery**

4.5.1 A green recovery needs to be place-based, building on local assets and on the role and powers of Local Authorities and their partners.

4.5.2 Greater powers for Local Government in Scotland and more flexibility to shape and apply national economic provisions and investment plans are foundations for Scotland's collective success. Specifically, the Council would welcome

4.5.2.1 Certainty over financial packages and funding to support substantive and long-term investment decisions – particularly in respect of housing and infrastructure.

4.5.2.2 More coherent and enabling regulations and powers which enable a flexible and agile local approach. For example, supporting an inclusive duty to trade sustainably rather than identifying a myriad of specific policies and examples of how this can be done

4.5.2.3 Streamlined processes for decision making defined in legislation to enable rapid and ambitious local decisions. Process, including consultation and appeals, needs to be proportionate and balanced in the context of a climate emergency

4.5.3 Examples of specific tools and instruments which could be re-examined with a view to maximising income at the local level and ensuring Councils have the levers to support investment in the long-term resilience of the city include:

- Land value uplift taxes
- Non-domestic rates

4.5.4 The speed at which tools can be deployed will be pivotal in securing a green recovery and Councils require the discretion to rapidly introduce measures such as:

- Transient visitor levy
- Workplace parking levy

4.6 Understanding future funding and acknowledging how the 2021/22 Budget can support a green and sustainable recovery and avoid locking in carbon

4.6.1 As a priority, the remit and role of locally provided public services in delivering a green recovery must be reflected in the budget settlement. The budget must deliver the additional resources Local Authorities need to initiate actions, enable the scaling up of projects and fund the significant economic and infrastructure changes that need to take place to achieve a green and sustainable recovery.

4.6.2 The 2021/22 budget should include an economic stimulus package that would effectively promote decarbonisation, a community and employee-led transition from high- to low- and zero-carbon industry, the eradication of inequality and restoration of Scotland's environment.

4.6.3 Additional regulatory, fiscal and monetary powers would be needed to ensure a green recovery. It is welcomed that the Scottish National Investment Bank has climate change as its core objective, and we look forward to looking at SNIB's work in detail as it is established.

4.7 A full draft Council response to this call for views are provided in Annex A to this paper.

5. Next Steps

5.1 The Consultation response will be submitted to the Parliament on 7 August

6. Financial impact

6.1 There is no financial impact associated with this report.

7. Stakeholder/Community Impact

- 7.1 The response has been drafted with reference to the Local Governance Review consultation response; the Economy Advisory Board Consultation and the Edinburgh Climate Commission report endorsed by Committee.

8. Background reading/external reading

- 8.1 None

9. Appendices

Appendix: Consultation response

Appendix

The Environment, Climate Change and Land Reform Committee

Green recovery

Submission from **The City of Edinburgh Council**

In most cases we will publish your written submission on the Scottish Parliament's website. What you send us may also be quoted in the Committee's report or in its Committee meetings. These are public meetings that are broadcast online.

Before making a submission, please read our [privacy notice](#) (section headed Parliamentary business – Committees) about submitting your views to a Committee. This tells you about how we process your personal data. If you are under 12 years of age, please read this 'Submitting Your Views to Committee: Young People' section.

The Committee would particularly welcome views on the following questions–

Introduction

This inquiry is very timely and welcomed by the Council.

The City of Edinburgh Council has established an Adaptation and Renewal Programme to plan for the city's recovery and to build a future for Edinburgh's citizens that is fairer and greener; tackling poverty and ensuring the city is well placed to be carbon neutral by 2030.

Following the first report of the Edinburgh Climate Commission, the Council has also committed to ensuring that its Adaptation and Renewal Programme plans for a green recovery; this will include a refreshed economy strategy and a new Council Business Plan.

Do the principles of sustainable development (as set out in the annex), and those for a resilient recovery, as proposed by the UK Committee on Climate Change, provide a comprehensive framework for guiding an effective green recovery in Scotland?

The principles of sustainable development and those proposed by UKCCC provide the foundations for building a comprehensive framework for guiding an effective green recovery in Scotland.

As set out in the UKCCC principles, a successful green recovery should be one that delivers for the long term, catalyses job creation into growth industries, empowers citizens, improves public health and drives innovation while tackling climate change.

These align with what the Council is trying to achieve in relation to tackling climate change, poverty alleviation and development of a resilient and low carbon circular economy for the future.

As proposed by UKCCC, there is a need for strong policies to reduce Scotland's vulnerability to climate change and avoid a disorderly transition to net zero, ensuring that these are implemented alongside the response to COVID-19 and bring benefits to health, well-being and national security.

In addition the UKCCC is clear that immediate steps are needed to support reskilling, retraining and research; to build a climate-resilient economy; scale up housing retrofits and build new homes that are fit for the future; invest in low-carbon, resilient infrastructure; public and active travel, and to expand tree planting, peatland restoration, green spaces and green infrastructure. The Scottish Government must avoid 'locking-in' higher emissions or increased vulnerability to climate change impacts over the long term as it plans for a green recovery.

An emphasis must be on central and local government working together to enable change, accelerate existing programmes and to develop new and more effective partnerships across the private and third sector and with citizens themselves.

The City of Edinburgh Council is keen to work with both the Scottish Government and the Parliament to put in place an overarching framework to ensure a green economic recovery from the pandemic that supports the acceleration of place-based action and decision-making and is conditional on climate impacts and benefits. The benefits of acting on climate change must also be shared widely, and the costs must not burden those who are least able to pay or whose livelihoods are most at risk as the economy changes.

To be successful all public bodies and wider stakeholders need to commit to systemic change built around this shared purpose. Specific projects and programmes that could be described as 'bolt on' will be counterproductive to the change that is needed.

What are the key barriers to delivering a green recovery (within your sector and / or community)?

Edinburgh faces significant challenges as a result of the pandemic. For example,

- The independent Edinburgh Poverty Commission estimate that a further 13,000 people could face unemployment in the city in 2020.
- The pandemic has also exacerbated existing social inequality, and left young people, low paid workers and vulnerable groups exposed to hardship.
- The financial impact of COVID-19 on the city's public transport infrastructure has been significant and the speed with which customer confidence returns may add further challenge.
- The response to COVID-19 has significantly increased the Council's budget deficit. Financing a green recovery and investing in net zero policies and projects will be challenging in this context.

The city and the Council face a number of barriers to delivering a green recovery in this context including:

1. The challenge of balancing the need to act now to avoid and alleviate the significant risk to jobs in the city, alongside the desire to invest in and support the creation of better and more sustainable jobs
2. The resilience of local businesses and communities to create new opportunities, organisations and businesses at a local level that stimulate better and sustainable employment.

3. The pressure to restart services and resume business as usual and in doing so, to lose the opportunity to embed more efficient and greener ways of working, living and providing services to customers.
4. The financial capacity to deliver and make green investment decisions with organisations including the Council and across the city after the significant financial impact of COVID on business and organisational budgets.
5. An enabling legislative, regulative and democratic framework to take and make the scale and level of decisions necessary to build back better from the impact of COVID 19.

What key policies, actions and immediate priorities are needed to deliver a green recovery (within your sector and / or community)?

One major lesson learned from recovery after previous major crises, such as the 2008 global financial crash, is that having a strong vision for what the city, and Scotland, are aiming to achieve is an important factor in the success of any recovery and renewal plan.

Moving forward, in 2016 Edinburgh began a conversation with citizens about creating a shared vision for what the city should aim to be like by 2050. The City Vision that has been adopted describes the type of city and society the people of Edinburgh want to live in. The values and priorities from the Edinburgh 2050 City Vision public engagement campaign – welcoming (happy, healthy, safe), thriving (green, clean, sustainable), fair (inclusive, affordable, connected) and pioneering (culture, data, business) – reflect a positive ambition for the city to be embedded in delivering a green recovery.

We anticipate that this period of renewal and recovery will be supportive of a longer-term transition to a green recovery if the national and local legislative, policy and fiscal environment can rapidly pivot in order to:

- Prioritise place-based solutions built around strong relationships with communities, backed up by investment in community capacity and wealth building
- Develop investment programmes which provide projects which combine strong short-term benefits (such as job creation) with long term benefits to Edinburgh residents
- Stimulate local business supply chains – through strategic use of public and major private sector procurement budgets – targeting development of strategically important supply chains for a net zero economy
- Deliver appropriate public investment where long term financial and community benefits are clear – progressing with major development projects critical to the future of the city
- Build on the increased powers, flexibility and finance needed at a local level to respond effectively in the particular context of Edinburgh
- Recognise the need to invest in citizen resilience as well as business resilience, and that the mental and emotional stability of the workforce will be an important bedrock to a successful recovery
- Recognise the importance – to physical and mental resilience, to the economic attractiveness of the city, and to the climate agenda - of open and green space in urban areas

Greater fiscal devolution to Councils

Financing and investing in change that could deliver the City net zero carbon target was already challenging. The City of Edinburgh Council has incurred significant financial pressure as a consequence of the pandemic, and this has made the challenge of funding a green recovery even more challenging.

Now is the time for the Scottish Government to commit to giving Councils strong local fiscal powers to support confident local action and investment decisions and to ensure that Councils can be resilient to future economic shocks.

Examples of specific tools and instruments which could be re-examined with a view to maximising income at the local level and ensuring Councils have the levers to support investment in the long-term resilience of the city include:

- Land value uplift taxes
- Non-domestic rates

The speed at which tools can be deployed will be pivotal in securing a green recovery and Councils require the discretion to rapidly introduce measures such as:

- Transient visitor levy
- Workplace parking levy

Greater budget and funding certainty

In addition to greater fiscal devolution to raise income in ways that are locally appropriate, the Scottish Government must provide financial certainty to enable not only sound local financial planning but also to take long term investment decisions.

This goes beyond the local government settlement to include funds and national investment plans that anchor local projects and programmes of investment. Any uncertainty at the present time affects both the public and private confidence to make the scale and type of investments necessary to underpin a green recovery. For example, Scottish funding to support affordable housing runs out this year and the next stages of funding have not been confirmed. More certainty is required.

In addition, more generally, funding could be more closely aligned to the objectives of a green recovery and to the sustainable development goals.

More coherent and empowering legislative frameworks

It is difficult to pick out multiple changes to legislation to respond to something as broad and encompassing as a green recovery. However, Councils would benefit from the Scottish Government and the Scottish Parliament taking a more holistic approach to the legislative foundations that drive change. More empowering legislation and regulation which enable a flexible and agile local approach, and which encourage systemic rather than piecemeal change would support a green recovery.

One example of this is in how businesses are regulated and licensed. While recent moves to stop the use of plastic straws and plastic cups is welcome, a more inclusive duty to trade sustainably would encourage more positive business choices in the round, be easier to target issues of local concern and be more durable over time.

However, legislation framing the regulation of businesses in the here and now is for the most part historic. Licensing frameworks in particular don't empower or encourage sustainable action within the modern context we operate in. Councils who choose to enact change or push the boundaries of legislation do so at the risk of being legally exposed. In order for Councils to maximise their potential for local action and support a green recovery

they need to operate in a more coherent and empowering legislative framework. Brexit presents a risk to the legal frameworks within which we currently operate but it also presents an opportunity to put a modern enabling framework in place.

Streamlined legislative processes for decision making.

Streamlined processes for decision making defined in legislation to enable rapid and decisive local decisions. Process, including consultation and appeals, needs to be proportionate and balanced in the context of a climate emergency.

During the pandemic the Government and the Parliament showed the ability to legislate and regulate quickly to ensure that the right actions could be taken to protect lives and respond to the emergency. The same type of speed and agility is required to support the green recovery and tackle the climate emergency.

In addition to acting quickly to legislate, some reflection needs to be given to the scale, and timeframes imposed within legislation for local decision-making processes. Agile and impactful local decision making of the scale required to support a green recovery will not be possible if by way of example, the Scottish Government and then the Scottish Parliament take 2 years to agree the regulation supporting the implementation of a local workplace parking levy, and then within those regulations, set out a process for local decision making that takes a further 12-18 months.

While due process must be given to consultation and engagement with the appropriate rights of appeal, this has to be balanced against the need and desire for Councils such as Edinburgh to make impactful and agile local decisions that shape the city's recovery at the same time as tackling climate change and delivering a net zero ambition by 2030. Processes that take years to navigate act as a deterrent to change.

How should the 2021/22 Budget support a green and sustainable recovery and avoid locking in carbon; and what funding is needed in the ECCLR portfolio to deliver a green and sustainable recovery?

It is welcomed that investing in public services and ending Scotland's contribution to climate change are at the core of the Scottish Government's 2021/22 Budget. If the Government wants to see Council's realise their potential to lead and drive change that embeds a green recovery, then the local government settlement must reflect this ambition. Council's cannot drive the changes we need to see while balancing significant budget pressures experienced as a result of the pandemic with out support from the Scottish Government.

The Budget must deliver the additional resources councils need to initiate actions, enable the scaling up of local projects and fund the significant economic and infrastructural changes that need to take place to achieve a green and sustainable recovery. The Edinburgh Climate Commission details many areas where capital investment and stimulus in the city would help to lay a strong foundation for a green recovery.

The 2021/22 Budget should include an economic stimulus package that would effectively promote decarbonisation, a community and employee-led transition from high- to low- and zero-carbon industry, the eradication of inequality and restoration of Scotland's environment.

The City of Edinburgh Council would welcome new or expanded national programmes of funding and specifically investment in retrofitting, energy efficiency and renewable

installations, low and zero carbon transport infrastructure, climate change adaptation, green infrastructure, and digital connectivity.

Energy networks must be strengthened for the net-zero energy transformation in order to support electrification of transport and heating. Fast-tracked electric vehicle charging points will hasten the move towards a full phase out of petrol and diesel cars and vans by 2032 or earlier.

Scottish Government support is needed to renovate office buildings, private housing and to construct new housing to the highest standards of energy and water efficiency. For home working to be truly a widespread option, resilient digital technology (5G and fibre broadband) will be needed. This will further accessibility and flexibility to the jobs market for people who may have previously felt excluded, such as due to personal mobility or health reasons.

It is welcomed that the Scottish National Investment Bank has climate change as its core objective, and we look forward to looking at SNIB's work in detail. Scotland needs to become a global leader in sustainable investment. The Council would welcome continued opportunities to discuss the next iteration of the City Region Deal and the potential for a Green City Region Deal into the future,

