

10.00am, Thursday 21 January 2016

## Council Revenue Budget Framework 2016/20 – Carbon, Climate and Sustainability Impact Assessments

Item number	4.1(e)
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report presents a summary of the main potential carbon, climate change and sustainable development impacts of some of the proposals described in the draft Revenue Budget Framework 2016/20. The report complements the separate report on equality and rights impact assessments referred on to today's Council meeting.

The report notes that incorporating carbon, climate and sustainability impact assessments from the earliest stages of proposal development enhances the quality of the proposal and facilitates more robust decision-making.

The report also makes recommendations for reducing any risk from failure to meet statutory duties to consider carbon, climate and sustainability in decision-making processes.

### Links

---

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

## Council Revenue Budget Framework 2016/20 – Carbon, Climate and Sustainability Impact Assessments

### Recommendations

---

- 1.1 It is recommended that the Council:
  - 1.1.1 notes the potential carbon, climate and sustainability impacts associated with revenue budget 2016/20 proposals, including the cumulative impacts described at 3.10-3.11;
  - 1.1.2 reiterates the need for Council officers to carry out assessments of likely impacts on carbon emissions, climate change adaptation, social justice, economic wellbeing and sustainable development iteratively from the earliest stages of proposal development through to implementation;
  - 1.1.3 considers this report in conjunction with the complementary report on equality and rights impact assessments; and
  - 1.1.4 approves the recommendations made at 3.15 to minimise risk from failing to meet statutory duties.

### Background

---

- 2.1 The Council's Draft Revenue Budget Framework 2016/20 sets out a series of savings and additional income proposals. This report presents a summary of carbon, climate change and sustainable development impact assessments carried out on some of these proposals and recommends actions to address risk from failure to meet statutory duties.
- 2.2 In response to the Climate Change (Scotland) Act's introduction of the Public Bodies Climate Change Duties, the Council is implementing an ongoing corporate programme to embed carbon, climate change and sustainable development impact assessment in standard business practice and decision-making activity. Assessment of Council budget proposals is a key element of this programme.
- 2.3 As well as helping the Council meet its statutory duties, assessing the potential impacts in terms of carbon emissions, adaptation to climate change and the

three 'pillars' of sustainable development at the earliest possible stage and then iteratively as Council activities are developed and implemented enables the Council to design and deliver better quality services.

- 2.4 Information on carbon, climate change and sustainable development impact assessments relating to the *Capital Budget* is included in a separate report to today's Council meeting.

## Main report

---

- 3.1 Assessments of likely carbon emission impacts were included in the budget preparation process in 2013/14 and 2014/15. This year, for the first time, officers were asked to assess the potential impacts of their budget proposals in terms of all three Public Bodies Duties – carbon emissions, climate change adaptation and sustainable development. Full, clear guidance prepared by the Corporate Policy and Strategy Team was integrated into budget preparation packs circulated by Finance officers in summer 2015. Support and advice was available from the Corporate Policy and Strategy Team, which provided analysis and reporting on completed assessments.
- 3.2 In their assessments, officers were asked to indicate whether any impacts were likely to be positive or negative in both the short and long term (that is, up to two years ahead and from two to 50 years ahead). Aspects of carbon, climate and sustainability that officers were prompted to consider were as follows.
- Carbon emissions from the areas of operation taxed under the Carbon Reduction Commitment, ie: waste sent to landfill; energy usage in Council buildings (including Edinburgh Leisure properties but not Council housing); street and stair lighting and street furniture; fleet fuel consumption and business mileage. Officers were asked to note if the proposal was already included in the Council's Sustainable Energy Action Plan (SEAP) and/or Carbon Management Plan (CMP).
  - Vulnerability of Edinburgh's people and places to extreme weather events resulting from climate change (eg storms, high winds, flooding, high temperatures), including: residents, communities and services to communities; Council premises and the city's transport and coastal infrastructure; ecosystems, biodiversity, parks and other greenspaces. Officers were asked to note if the proposal included climate change resilience action.
  - Social justice and the quality of people's lives, the local economy and citizens' economic participation, and resource consumption and effects on

the natural and built environment. Officers were asked to note if the proposal contributed to achieving Sustainable Edinburgh 2020.

- 3.3 Impact assessments on the early option proposals were supplied timeously, analysed and reported for consideration by Members in October 2015.
- 3.4 Following intensive efforts by Finance and key service area contact officers, three quarters of the assessments had been received by 14 January. It should further be noted that a number of the outstanding assessments relate to proposals remaining at an early stage and Finance officers will encourage the use of carbon, climate and sustainability assessments as part of the development process so as to make the finalised plans more robust.

### **Summary of Anticipated Impacts**

- 3.5 Of the completed impact assessments, forty-six (62%) concluded that neither positive nor negative impacts were foreseen. These are listed in Appendix 1.
- 3.6 Thirteen proposals (17%) were considered to have **positive** short and long term impacts, contributing to delivering on Sustainable Edinburgh 2020. These are listed in Appendix 2.
- 3.7 Ten proposals (13%) were considered to have potential **negative** short and long term impact and relevant officers have therefore been asked to consider mitigating actions may be taken in these areas. The proposals concerned are listed in Appendix 3.
- 3.8 Six proposals (8%) were considered to have **mixed** positive and negative impacts. These are shown in Appendix 4.
- 3.9 None of the completed assessments showed that the budget proposal is included in the SEAP or CMP, that climate change resilience actions were incorporated, or – apart from the thirteen described at 3.6 – that the proposal contributed to delivering a more sustainable Edinburgh.

### **Cumulative impacts**

- 3.10 A large number of this year's budget proposals are to reduce the Council's staffing levels. Many individual impact assessments note a likely positive impact from decreased carbon emissions and reduced environmental impacts but comment that this will be minimal given the number of staff affected by the specific proposal. However, the cumulative impact of staff reductions across all proposals will be more significant as long as scope for property rationalisation is optimised.
- 3.11 Similarly, potential negative impacts on economic wellbeing and social justice from combined job losses should be taken into account across all budget proposals. Several assessments for individual budget proposals state that with re-training and a fairly buoyant employment market any job reductions may be absorbed by the market and provide a more sustainable economic mix between public and private sector. While this may be true where small numbers of

specialist workers are concerned, large numbers of similarly skilled job-seekers are likely to encounter difficulties, even accepting the statement that the employment market is buoyant. Former staff who are unable to move quickly into new jobs may, in the short term, experience reduced quality of life and potential health and social consequences, which could result in increased demand for reduced Council services.

- 3.12 In acknowledging the unprecedented scale of workforce reorganisation, the Council has already recognised the impact on staff affected by the changes. These include operating a phased staff release programme, putting in place the Career Transition Service with professional support for individuals to optimise job-seeking skills and access job opportunities as well as business start-up guidance if required.

### **Overview and Recommendations**

- 3.13 For last year's budget setting the Council achieved a 98% completion rate for carbon impact assessments of budget proposals, using a simple one-page template integrated into Finance's budget development package. As this approach was so successful, it was repeated this year, adding a single additional page to the template so as to cover all three of the Public Bodies Duties. Officers also had option of using the Council's SAM ("Sustainability, Adaptation, Mitigation") e-tool to assist them.
- 3.14 While noting the majority of 2016/20 proposals also undertook relevant analysis, Council is asked to reiterate to the Council Leadership Team the need to put in place measures to ensure that in future all corporate, policy and delivery activity uses the SAM tool iteratively in all activity initiation, development and management processes, and that all requirements for impact assessments on budget proposals are fulfilled according to the schedule set by the Head of Finance.
- 3.15 Proposals which are at an early stage of development are further advised to build consideration of the Duties into the development process so as to strengthen them. The consequences of not impact assessing budget proposals are that proposals are potentially less robust, Members are not provided with information to help decision-making and the Council is failing to meet fully its statutory duties under the Climate Change (Scotland) Act.

### **Measures of success**

---

- 4.1 Potential carbon emissions, climate change adaptation and sustainable development impacts are taken into account when budget decisions are being made.
- 4.2 Senior managers across all Service Areas take responsibility and ownership for compliance with Council systems put in place to ensure that statutory duties are met.

## Financial impact

---

- 5.1 Unconsidered impacts of carbon emissions and climate change adaptation have the potential to increase the Council's expenditure as a result of:
- unnecessary consumption of fuel for power, heating, lighting and transport;
  - failure to minimise Carbon Reduction Commitment outgoings; and
  - a need to rectify damage to assets, services and citizens from climate change impacts.

## Risk, policy, compliance and governance impact

---

- 6.1 Legal and reputational risk from failure to consider the Climate Change (Scotland) Act 2009 Public Bodies Duties in a key Council decision-making process.

## Equalities impact

---

- 7.1 A separate report on equality and rights impact assessment undertaken on the Draft Revenue Budget Framework 2016/20 has been submitted to today's Council meeting.
- 7.2 Assessing and mitigating equality and rights impacts assists the Council in meeting social justice and community wellbeing aspects of its statutory duty to act in the way it considers most sustainable.

## Sustainability impact

---

- 8.1 The actions described in this report were instigated with the express purpose of helping the Council to meet its responsibilities under the Climate Change (Scotland) Act's Public Bodies Duties.

## Consultation and engagement

---

- 9.1 No specific feedback from the budget engagement that has taken place in the months leading up to budget setting has been supplied in relation to carbon, climate and sustainability assessment analysis. A number of comments making reference to issues of wider relevance to environmental, economic and social sustainability were received and these are reflected within the report and appendices on the budget engagement elsewhere on the agenda.

## Background reading/external references

---

[Item 7.4 Council Revenue Budget Framework 2015/18 - impact assessments](#) (Finance and Resources Committee, 3 February 2015)

[Assessing impacts on Sustainability, Adaptation and Mitigation](#)

### Hugh Dunn

Acting Executive Director of Resources

Nick Croft – Corporate Policy and Strategy Manager

E-mail: [nick.croft@edinburgh.gov.uk](mailto:nick.croft@edinburgh.gov.uk) Tel: 0131 469 3726

### Links

---

<b>Coalition pledges</b>	All
<b>Council outcomes</b>	All
<b>Single Outcome Agreement</b>	All
<b>Appendices</b>	Appendix 1 - Assessments highlighting neither positive nor negative impacts Appendix 2 - Assessments highlighting positive impacts Appendix 3 - Assessments highlighting potential negative impacts Appendix 4 - Assessments highlighting potential mixed impacts

### Assessments highlighting neither positive nor negative impacts

- CF/EFF1 Advocacy services review
- CF/EFF4 Review of support staff within all Special Schools
- CF/EFF5 Reductions to Family Based Care and Throughcare
- CF/EFF6 Savings from funding available for prudential borrowing commitments
- CF/SP3 Re-configuration of the Children and Young People's Review Team
- CF/SP6 Renegotiate fees for foster placements for young people aged 18+
- CF/SP7 Adoption allowances for young people aged 18+
- CF/SP8 Review of family and pupil support services
- CF/ST1 Reduce residential provision by four beds
- CF/ST3 Reconfigure primary and secondary social, emotional and behaviour difficulties support
- CF/ST11 Re-design of Homelessness Services (General Fund share)
- CO/ST1 Corporate Operations – Finance
- CO/ST2 Corporate Operations - Commercial & Procurement
- CO/ST3 Corporate Operations - Internal Audit & Risk
- CO/ST4 Corporate Operations - Legal Services
- CO/ST5 Corporate Operations - Human Resources
- CO/ST6 Corporate Operations - Strategy & Insight
- CO/ST7 Corporate Operations - Transformation and Business Change
- CO/ST8 Corporate Operations - Digital & IT
- CO/ST9 Corporate Operations - Information Management
- CO/ST10 Corporate Operations - Committee & Election Services
- CO/ST11 Corporate Operations - Members' Services
- CO/ST12 Corporate Operations - Business Support
- CO/ST13 Corporate Operations - Customer Services
- CO/ST14 Corporate Operations - Communications
- CSE/EFF2 Culture Third Party Payments
- CSE/EFF4 Economy Third Party Payments
- CSE/EFF5 Reduce grant payment to Festival City Theatre Trust
- CW/EFF1 Additional savings through procurement
- CW/EFF2 Reduction in consultant expenditure
- CW/INC1 Increase in discretionary income – Retail Price Index (RPI) plus 2%
- CW/ST1 Reduce use of employee overtime by 25%
- CW/ST2 Reduce use of agency staffing by 20%
- HSC/EFF4 Reduce the size of in-house home care service by 25% and purchase more care at home
- HSC/SP3 Improve management of service user demand
- PLA/EFF1 Public Health
- PLA/EFF2 Licensing and Trading Standards

### Assessments highlighting neither positive nor negative impacts (contd.)

- PLA/EFF5 Place Third Party Placements
- PLA/EFF6 Reduce funding to Police Scotland by a total of £0.5m (includes £0.25m through transformation programme)
- PLA/SP1 Parks and greenspace
- PLA/SP4 Withdrawal of School Crossing Patrol Guide service at lunchtime
- PLA/SP7 Reduce bus stops and shelters maintenance
- PLA/INC3 Increase fee charges for section 109 permits to install pipes and cables in roads and pavements
- PLA/INC4 Increase fee for Temporary Traffic Regulation Orders
- PLA/INC5 Increase bus station income
- PLA/INC6 Review allotment services and increase rents

### Assessments highlighting positive impacts

- CF/EFF2 Closure of Panmure School – reduced carbon emissions and climate change vulnerability on the assumption that the building becomes surplus to requirements, no change anticipated regarding economic, social and environmental sustainability
- CF/EFF3 Reduce one class at Rowanfield School – reduced carbon emissions from decrease in waste and transport, and improved vulnerability to climate change from reduced client base
- CF/ST4 Disability respite services – improved social justice from the Service’s support for greater flexibility and service user choice
- CSE/EFF1 Culture Service restructure – reduced carbon emissions and improved economic well-being and environmental good stewardship in the long-term
- CSE/EFF3 Economy Service – reduced carbon emissions in the long-term
- HSC/SP4 Unblock reablement, allowing more people to benefit from improved self-care at lower cost – improved social justice because citizens will become more independent, with a winter plan in place to mitigate against increased vulnerability to climate change impacts
- PLA/EFF8 Efficiencies in the waste service – reduced carbon emissions resulting from a decrease in landfilled waste and energy usage in buildings (this is expected to outweigh a possible increase in fuel consumption due to alternative tipping locations), and a positive environmental impact from the closure of the Powderhall Waste Transfer Facility
- PLA/INC2 Increase parking charges by an average of 4.5% per year over four years; and
- PLA/INC7 Increase parking permit charges by 5%; and
- PLA/INC8 Increase pay and display charges – impacts of all three are reduced carbon emissions and resource consumption and improved built and natural environment resulting from effective parking management
- PLA/SP2 Task Force – reduced carbon emissions from lower fuel consumption by vehicles and potential rationalisation of depots, and a positive environmental impact long-term from roll-out of meadows and reduced use of glycosate
- PLA/SP6 New approach to managing Clarence response service defect repairs – reduced carbon emissions resulting from decreased fuel consumption, with resilience action built into the proposal to address an increase in communities’ vulnerability to climate change impacts
- PLA/ST1 Create a Housing Development Service – will ensure minimal carbon impacts because developments will be in line with higher energy efficiency standards and sustainable transport objectives, and the proposal’s affordable housing, regeneration in areas of deprivation, job and training opportunities, promoted use of brownfield sites will all have a positive impact on social justice.

### Assessments highlighting potential negative impacts

- CSE/EFF6 Review funding arrangements for Winter Festivals – decrease in social justice as some free family events may be cancelled, and reduced direct economic impact resulting from a reduced programme of events
- HSC/EFF1 Redesign staffing skills mix in in-house services – decrease in social justice, as although pay will still be above the Living Wage, financial commitments may be an issue
- HSC/EFF2 Review of in-house older people’s day services – there is a small possibility of increased carbon from travel time if service users move to other services further away but the detail of this is not yet known, and if people do not get a substitute service following closure of their existing service, there is a risk of reduced social justice
- HSC/EFF8 Reduce spending on block-contracted services by 10% - slight reduction to the quality of people’s lives and their economic participation, which it is intended will be mitigated by efficiencies in service delivery
- HSC/INC1 Increased charges for residential accommodation, telecare and other local authority charges – decrease in social justice, detailed in the Equality & Rights Impact Assessment which is summarised at paragraph 3.8.6 in this [complementary report](#)
- HSC/SP1 Community Equipment Service to cease providing equipment available from retailers for people with low or moderate level needs – for those that cannot afford to buy the equipment, the effect on their quality of life may be detrimental
- PLA/EFF3 Reduction in staff and agency costs – reduction in short-term employment and long-term job opportunities will decrease economic wellbeing of Edinburgh residents
- PLA/EFF4 Transport – reduction in short-term employment and long-term job opportunities will decrease economic wellbeing of Edinburgh residents
- PLA/EFF7 Reduce commissioned services - Housing Support (sheltered housing/temporary accommodation) – decrease in social justice and economic wellbeing because the Council’s relationship with the voluntary sector could be significantly compromised
- PLA/INC1 Planning & Building Standards – reduction in short-term employment and long-term job opportunities will decrease economic wellbeing of Edinburgh residents; potential for further job reductions long-term if reduced service capacity results in a decline in development activity in the city

### Assessments highlighting potential mixed impacts

- CF/ST2 Reconfiguration of residential provision – carbon emissions from waste and energy use will decrease and increased use of preventative approaches offer potential for increased inclusion and participation, but there is a risk that if provision is insufficient isolation will increase
- HSC/EFF7 Consolidate care and support/care at home pricing levels - a light adverse impact on social justice will be mitigated by supporting providers to minimise impact of reductions in expenditure on front line service
- PLA/SP3 Waste Services - although carbon emissions will decrease because less fuel is consumed, the loss of around 50 FTE Council jobs may not be wholly mitigated by a potential increase in personnel required in the private sector to meet demand for service from former trade waste customers
- PLA/SP5 New approach to street lighting repairs – although carbon emissions will decrease because less fuel is consumed this will be outweighed by an increase in vulnerability to climate change impacts and their effects on communities, and a decrease in social justice is also considered possible
- PLA/SR1 Stop Repairs and Maintenance of Stair Lighting Service in Tenements – reduced Council carbon emissions from waste and transport in the short term and potential benefit for local businesses taking over the work, but lights are less likely to be repaired leading to reduced community safety and health risks and energy consumption may increase from lower spec but cheaper repairs; additionally, the Council will be paying carbon tax without being able to control consumption. Further consideration is being given to measures that could mitigate these risks
- PLA/SR2 Reduce gully cleaning service – although carbon emissions will decrease because less fuel is consumed this will be outweighed by an increase in vulnerability to climate change impacts and their effects on communities