

2030 CLIMATE STRATEGY

*Delivering a Net Zero,
Climate Ready Edinburgh*

Draft: June 2021





Business and skills in a net zero economy

The pandemic and recovery from recession is the biggest economic challenge faced by Edinburgh for more than a generation

Scotland's economy contracted by 9.5 percent during 2020, with much of this decline driven by sectors – such as tourism and retail – upon which Edinburgh has a strong reliance. In December 2020, **footfall in key retail areas in Edinburgh was almost 50 percent down** on the 2019 levels, while **hotel occupancy rates in the city were down by over 80 percent**.

Estimates from the Scottish Fiscal Commission show that, without intervention or stimulus, **Scotland's economic output will not return to pre-pandemic levels until the beginning of 2024**, and it would be 2026 before the economy recovers all the capacity and potential lost during the past year

The UK Government's furlough scheme has played an important part in limiting the impact of these declines on job numbers – as at end January 2021 almost **39,000 Edinburgh jobs were being supported**

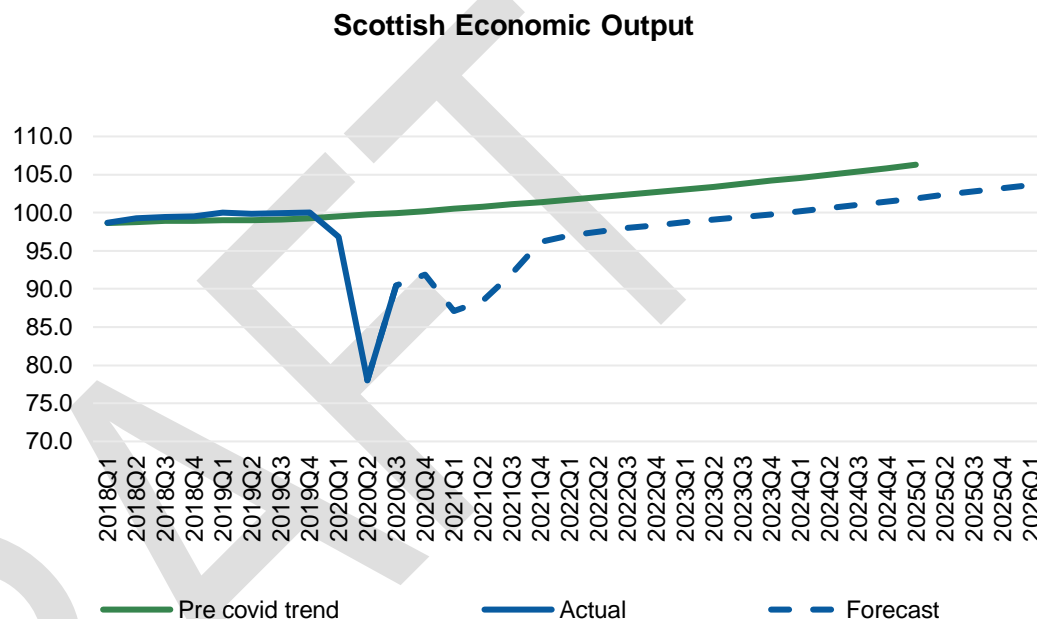


Figure 21: Scottish Fiscal Commission, Scotland's Economic and Fiscal Forecasts January 2021

by furlough – but the city has still experienced a dramatic increase in the number of people forced out of work and into benefits dependency as a result of the pandemic. By Autumn 2020, some **18,000 people in Edinburgh were claiming unemployment related benefits**, almost three times the level recorded pre-pandemic.

A just transition to a net zero economy represents one of the biggest opportunities Edinburgh has to recover from recession and remain Scotland's most vibrant and prosperous economy

Planning for a green recovery offers an opportunity for the city to rebuild on a genuinely sustainable footing – one that meets the climate emergency, as well as increasing Edinburgh's resilience to future economic shocks.

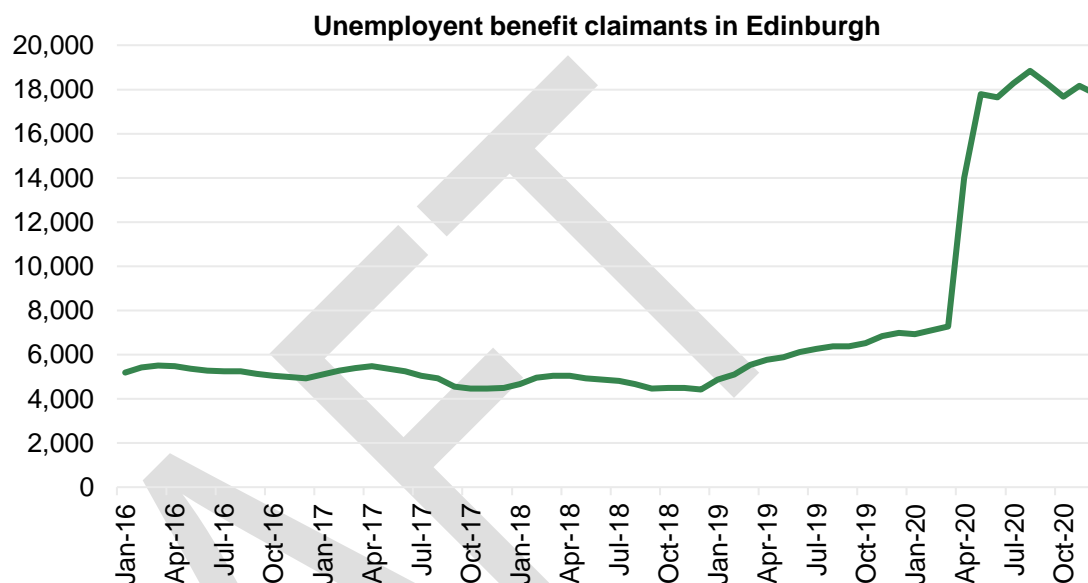


Figure 22: Office for National Statistics, Claimant Count

Many of the city's businesses are already rebuilding and adapting, making a strong contribution to a green recovery. For an individual business, becoming net zero can **mean improved resilience, new markets, lower costs, increased productivity, more engaged staff**, as well as an opportunity to meet growing consumer demands for zero carbon, zero waste options. For the city as a whole, the potential opportunities are even greater.

Our vision for 2030



A vibrant economy that is resilient to future crisis

Our vision is for **businesses of all sectors and sizes to be operating on a net zero basis by 2030** and taking their share in a growing green economy. This means Edinburgh taking the opportunity to be a global leader in green tourism, green finance, and green festivals – establishing a clear advantage over competitor cities and cementing the sustainable future of these key sectors.

More broadly, the value of output from UK low carbon industries is expected to grow to 8 percent of GDP by 2030, up from 2 percent in 2015.¹ A net zero economy also offers an opportunity to meet growing

consumer demands for zero carbon/zero waste options, and to ensure that Edinburgh businesses retain their share of the growing green pound. Ethical consumer spending and finance in the UK was estimated at £98bn in 2019, more than double the level recorded in 2010.²

Taking steps to meet this demand and transition to a net zero economy is important for recovery and growth in the short term. It is also critical if we are to ensure Edinburgh businesses can be ready and resilient to crises (economic, public health, or climate related) in the future.

Edinburgh Climate Commission 'Forward, Faster Together'

The Edinburgh Climate Commission's July 2020 Report set out recommendations for a green recovery responding to Covid-19 and climate change.

The Commission highlights Covid-19 as showing what can be achieved through a collective and urgent response.

They focus on a green recovery being one 'that **delivers for the long term; that catalyses job creation into growth industries, empowers citizens, improves public health and drives innovation** while all the time removing our contribution to the climate crisis'.

¹ [UK business opportunities of moving to a low-carbon economy, Climate Change Committee, 2017](#)

² [UK Ethical Consumer Markets Report, Ethical Consumer, 2020](#)



A circular, wellbeing economy

Our vision is for an economy where businesses and institutions embrace the shift towards circular economy business models – such as reverse logistics, material recovery and re-use, asset leasing, or other ways to make better use of materials and products. Such approaches represent new growth industries for the UK and could create over 200,000 new jobs by 2030.³

These changes will be supported by the way the city develops and builds communities, through new approaches to placemaking, promoting wellbeing, and investing in digital infrastructure. By 2030 people in Edinburgh will work more from home, travel less distances to work and use active travel or public transport options whenever they do need to travel.

One key sector through which this change will be demonstrated is in food production and consumption. By 2030, people in Edinburgh will have better access to good quality food from local producers; people will have more opportunity to come together to grow food and share the health and wellbeing benefits it brings; and food waste in Edinburgh will be reduced, with improved,

low carbon systems of food production and distribution.

Our vision is for Edinburgh to be a hub for net zero innovation, driven by data, with a new breed of sustainable local businesses thriving among 20-minute neighbourhoods across the city.

Case Study: Circular Edinburgh

Circular Edinburgh, managed by the Edinburgh Chamber of Commerce, is working to support the development of a more circular economy and improve the support offered to business.

Circular Edinburgh champions and supports businesses to find innovative ways to embed circular principles (of reduce, reuse, recycle) into their ways of working. It also works to connect businesses to funding opportunities to support them to explore more circular ways of doing business.

The service provides guidance for specific sectors operating in Edinburgh, as well as events and webinars sharing information, best practice, and highlighting benefits for businesses.

Source: [Circular Edinburgh](#)



Good jobs and new skills

For Edinburgh to make a just transition to a net zero economy, we need this growth in opportunity to benefit all communities in the city.

By 2030 our vision is that Edinburgh's economy will be built around good quality jobs which people from all backgrounds can access through education, skills and retraining. That means firms in Edinburgh creating well paid jobs and fulfilling careers in growing sectors – including clean construction, sustainable transport, low carbon technology, buildings retrofit, and others.

That means schools, colleges, universities, and employers working more closely together to make sure that skills, training and education support is in place to help Edinburgh citizens access those opportunities.

It also means making sure the city's plans for recovery in key established sectors such as tourism, culture, and retail, are built around sustainable, net zero business models. Over the next decade, Edinburgh should aspire to be a global leader in green

³ [Employment and the circular economy: job creation in a more resource efficient Britain, Green Alliance, 2015](#)

tourism, green festivals, with the skills and employment opportunities that implies. These aspirations will be supported by the Edinburgh Tourism Action Plan.

Strategic approach

To meet our net zero vision, we need to move at speed and at scale to connect potential investors with Edinburgh's prospectus of net zero business and development opportunities. We will work with investors, the Scottish Government, and city partners to help key projects move at pace, and provide the right regulatory framework to encourage investment and innovation.

Working with statutory partners across the city we will aim to make sure that all procurement and commissioning expenditure made in Edinburgh is used to actively support this strategy. **This means aiming to secure commitment from all public sector partners to use procurement spending powers in support of the transition to net zero and promote a circular economy.** It also means, where possible and appropriate, all public sector all investment and purchase decisions are net zero by 2030 and that we take strategic decisions to create markets for circular and net zero economy businesses to thrive.

We will work with businesses to increase the number that have made their own net zero commitments, and have signed up to the

Edinburgh Climate Compact, led by the Edinburgh Climate Commission.

To complement the Edinburgh Climate Compact, we will explore establishing a **new green innovation challenge finance scheme** to stimulate new lead markets, and support Edinburgh businesses to play a full part in a net zero economy and a green recovery.

Alongside funding, support will be available through **business mentoring and partnerships** that help businesses realign their operations to meet net zero.

This will build on the **Circular Edinburgh** programme that the Edinburgh Chamber of Commerce has managed for a number of years and champions and supports businesses to find innovative ways to embed circular principles (of reduce, reuse, recycle) into their ways of working. In addition, the principals of net zero, just transition, and circular economy will be embedded into **Business Gateway** support programmes for new and existing Edinburgh businesses.

We will work with universities, colleges, schools and employers to identify emerging skills gaps, and develop the education, training and workforce development supported needed to make sure people from all backgrounds can aspire to and access rewarding net zero careers. This will build on the work undertaken by the **Edinburgh and South East Scotland City Region Deal** to develop the skills and local supply chains

needed to make construction activity in the city sustainable and low carbon.

Case Study: Integrated Regional Employability and Skills (IRES) Programme

Through the Edinburgh and South East Scotland City Region Deal, the £25m IRES programme includes two skills gateways - Housing and Construction Infrastructure (HCI) and Data Driven Innovation (DDI). The gateways operate through the regions' universities and colleges providing skills development in housing, construction, renewables, and digital sectors to support delivery of the latest sustainable energy and construction solutions. IRES also has an Integrated Employer Engagement programme, which creates an enhanced employability and skills service for employers, helping transition those with new skills into work.

HCI gateway's aims include providing 'into work' short courses for 800 residents facing disadvantage in the labour market; mentoring for 400 schoolchildren and industry-led skills improvements for 5,000 residents across the region. Sectors include waste management, electric vehicle charging point installation, renewable technologies, timber construction and engineering knowledge upskilling and environmental technologies.

Source: Edinburgh and South East Scotland City Region Deal

Business and Skills in a Net Zero Economy

Outcomes

- Edinburgh's economy recovers from recession and key sectors are sustainable and resilient to future crises, such as those related to climate change.
- Edinburgh has a vibrant circular economy, improving resource efficiency and enhancing citizen wellbeing.
- Edinburgh's economy is built on good, green jobs which people from all backgrounds can access through education, skills and retraining.

Action	Next steps and Indicative delivery timeframe	Partners
1. Connecting investment to opportunity	<ul style="list-style-type: none"> Develop a mechanism for connecting those looking to invest in a net zero city with the businesses and organisations looking to drive change that supports speed and scale of net zero action. 2021-2023 	The City of Edinburgh Council, The Scottish Government, developers and investors
2. Net Zero Procurement	<ul style="list-style-type: none"> Ensure that all public sector procurement spend actively supports this strategy so that by 2030 all new investment and purchase decisions are net zero. 2021-2030 	The City of Edinburgh Council, NHS Lothian, Police Scotland and other statutory partners
3. Edinburgh Climate Compact	<ul style="list-style-type: none"> Support and encourage city businesses to sign up to the Edinburgh Climate Compact and commit to reduce their emissions. 2021-2023 	Edinburgh Climate Commission, Edinburgh Chamber of Commerce, and The City of Edinburgh Council
4. Explore a green innovation challenge finance scheme	<ul style="list-style-type: none"> Explore establishing a finance scheme to complement the Commission Climate Compact, stimulate new lead markets, and support Edinburgh businesses to play a full part in a net zero economy and a green recovery. 2021-2023 	The City of Edinburgh Council and other partners
5. Business Mentoring and support for net zero transition	<ul style="list-style-type: none"> Deliver business mentoring and business support programmes to help employers take practical steps to realign their operations towards becoming net zero. 2021-2023 	Edinburgh Chamber of Commerce, Federation of Small Businesses, Scottish Enterprise
6. Circular Edinburgh	<ul style="list-style-type: none"> Increase participation in the Circular Edinburgh programme which supports businesses to reduce, re-use and recycle as part of embedding circular economy principles into their ways of working. 2021-2023 	Edinburgh Chamber of Commerce and Zero Waste Scotland
7. Skills and workforce development	<ul style="list-style-type: none"> Scope skill needs and align workforce development programmes to meet the needs of net zero businesses, and to promote accessibility of well paid, rewarding career opportunities. 2021-2023 	Further and higher education partners, Skills Development Scotland, and The City of Edinburgh Council

8. Enabling powers for local government, business and city partners to respond to climate change	<ul style="list-style-type: none"> • Call on the Scottish Government to build coherent and flexible legislative and regulatory frameworks that empower local government, business and city partners, so they can rapidly respond to the climate emergency in an agile and adaptive way. 2021 	The City of Edinburgh Council, The Scottish Government
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