

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**CLIMATE RISK ANALYSIS PROGRESS REPORT****Purpose of the Report**

1. To inform the Nottinghamshire Pension Fund Committee of the progress on the Pension Fund's climate risk analysis.

Information

2. As described in February, in order to enable the Pension Fund to identify its exposure and understand its financial risk LGPS Central has been commissioned to produce some climate risk analysis.
3. This report is to advise the Committee about the progress which has already been made on the analysis and the planned timetable for completing this work.
4. Under the recent very difficult circumstances there have been some inevitable delays of certain pieces of work as essential business is prioritised. However, despite the many pressures on time at the moment, progressing the work on climate risk analysis and strategy is important to the pension fund, and progress has been made:-
 - Data has been provided to LGPS Central to enable them to produce the analysis.
 - Data has been processed by LGPS Central's service providers. There have been delays due to the impact of lockdown on all concerned. The timescale for responding to Nottinghamshire was altered to recognise reporting to an autumn meeting as the July meeting was cancelled.
 - A first draft of the report has been produced and made available to officers. This is a long and complex report and LGPS Central Ltd have offered to provide training to the Committee and officers to help explain both the report and its implications. To this end a Working Party has been arranged with a presentation to Members to take place in late September.
 - It is anticipated that this will be followed by a report to the Nottinghamshire Pension Fund Committee in October. Although there are restrictions on what can be reported due to

commercial confidentiality of supplier intellectual property, the key elements will be published in the report.

- A climate risk strategy will be formulated informed by the output of this analysis. Given the current uncertainty over working arrangements and the input to this work by other parties there is no formal timescale on the production of this strategy. However, this is not likely to adversely impact the timing of any major investment decisions, such as the investment in Sustainable Equities, as these are consistent with our current investment strategy.
 - A refresh of data as at 31 March 2020 to enable early progress to be evaluated. Exact timing will be dependent on resources both within the Pension Fund and LGPS Central.
5. Although not directly related to the Climate Risk Analysis, Members may also be interested to know that work has begun evaluating the West Midlands Sustainable Equities Framework in advance of the Framework coming into existence. The Fund's Independent Adviser and officers have attended meetings with all the fund managers on the framework as an introduction to their approach. Further due diligence is now required when resources allow.
6. The Pension Fund will continue to monitor and manage all financially material risks to which it is exposed.

Other Options Considered

12. None – this is a report to update on progress.

Reason/s for Recommendation/s

13. None – this is a report to update on progress.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

15. None – this is a report to update on progress.

RECOMMENDATION/S

That the Nottinghamshire Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Nigel Stevenson

Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments

16. This is an updating information report and Nottinghamshire Pension Fund Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 1/09/2020)

17. There are no direct financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All