

**REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT****DEPARTMENT OF LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC) CONSULTATION****Purpose of the Report**

1. To approve the response to the DLUHC consultation on the reporting of climate change risks.

**Information and Advice**

2. The DLUHC has made policy proposals to require the LGPS to establish and maintain oversight of climate related risks and opportunities, report on metrics, and set targets in relation to one of these metrics. The activity and results are to be summarised in an annual Climate Risk Report.
3. Broadly these proposals for increased reporting of climate metrics are welcomed. Nottinghamshire Pension Fund already provides the majority of the information which would be required under these proposals.
4. At this stage some details are missing and we would welcome more guidance, much of which is offered as part of the proposals.
5. There are some concerns with mandating target setting given the ongoing issue of data accuracy and availability. It will be challenging to communicate these complex technical metrics and the inherent limitations of the data to wider stakeholders.
6. The biggest concern is around some of the metrics and in particular the aggregation of Scope 3 emissions. Not only are these figures estimated, as soon as two related companies are included, some of the apparent impact is double counted. Unless a methodology can be found to avoid this issue, this would be an unwise metric to report in an aggregated form.
7. Additionally the intention is that reports should cover the whole fund, and data is neither reliable, nor even available across all asset classes. Whole fund reports could provide an misleading and inconsistent indication of Fund progress and climate risk.
8. Officers plan to submit a response on behalf of Nottinghamshire Pension Fund. The draft response is attached in Appendix A.
9. The consultation closes on 24<sup>th</sup> November 2022.

## **Statutory and Policy Implications**

10. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) The submission of the attached response on behalf of Nottinghamshire Pension Fund is approved.

**Nigel Stevenson**

**Service Director – Finance, Infrastructure and Improvement**

**For any enquiries about this report please contact:**

Tamsin Rabbitts, Senior Accountant – Pensions and Treasury Management

### **Constitutional Comments (KK 27/10/22)**

11. The proposals in this report are within the remit of the Pension Fund Committee.

### **Financial Comments (TMR 26/10/22)**

12. There are no direct financial implications arising from the 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.