

Report for: Pensions Committee and Board – 22 November 2022

Title: Government Consultation on Governance and Reporting of Climate Change Risks

Report authorised by: Toyin Bamidele, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

1.1. This report provides the Pensions Committee and Board (PCB) with the draft response to the of the Government’s Consultation on *Local Government Pension Scheme (LGPS): Governance and reporting of climate change risks* (the Consultation) which was published by the Department for Levelling Up, Housing and Communities (DLUHC) on 1 September 2022. The Consultation will close for responses on 24 November 2022.

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the draft response to the Consultation, appended as Confidential Appendix 1 to this report, and provide any comments and feedback on the contents of the draft response to the Consultation.
- 3.2. To delegate authority to the Head of Pensions and Treasury to submit the Consultation response on behalf of the Haringey Pension Fund, subject to any comments and feedback provided by the Pensions Committee and Board, after consultation with the Chair of the Pensions Committee and Board.

4. Reason for Decision

- 4.1. The proposed policy changes included in the Consultation, if implemented, will have an impact on the existing governance requirements for LGPS administering authorities.
- 4.2. The Council, in its Consultation has delegated the responsibility to exercise all the Council's functions as the Pension Fund's Administering Authority to the Pensions Committee and Board, therefore the Pensions Committee and Board will need to consider the implications of the proposed policy changes.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. The Department for Levelling Up, Housing and Communities (DLUHC) published its highly anticipated consultation on governance and reporting of climate change risks on 1 September 2022.
- 6.2. The Consultation seeks views on the government's policy proposals that will require administering authorities of the Local Government Pension Scheme (LGPS) to have effective governance, strategy, risk management and accompanying metrics and targets for the assessment and management of climate risks and opportunities.
- 6.3. The proposals have been developed in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).
- 6.4. At a high level, DLUHC are proposing that LGPS administering authorities ensure they have the appropriate governance processes in place for the effective management and reporting of climate change risks. This involves several wide-ranging proposals from strategy to risk management, to the measurement and reporting of climate risk metrics.
- 6.5. Under these proposals, administering authorities will be required to publish a Climate Risk Report annually by 1 December, following the end of the financial year.
- 6.6. Officers, in consultation with the Chair of the PCB and the Pension Fund's Independent Advisor, have drafted a response to the Consultation on behalf of the London Borough of Haringey (in its role as administering authority for the Haringey Pension Fund). This has been attached as Confidential Appendix 1 to this paper.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Statutory Officer Comments (Director of Finance (including procurement), Head of Legal and Governance (Monitoring Officer), Equalities)

Finance and Procurement

8.1. There are no immediate financial implications arising from this report.

Comments of the Head of Legal and Governance (Monitoring Officer)

8.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. As mentioned in this report the consultation seeks views on policy proposals to require administering authorities of the Local Government Pension Scheme to have effective governance, strategy, risk management and accompanying metrics and targets for the assessment and management of climate risks and opportunities in line with the recommendations of the Taskforce on Climate-related Financial Disclosures.

8.3. Members should note that the administering authority will be required to comply with any policy requirements formulated as a result of the consultation.

Equalities

8.4. Not applicable.

9. Use of Appendices

9.1. Confidential Appendix 1: Response on Consultation on Climate Reporting

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.