

PENSIONS COMMITTEE

09 December 2025

Subject Heading:

TASKFORCE FOR CLIMATE –
RELATED FINANCIAL DISCLOSURES
Year ending 31 March 2025

ELT Lead:

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Report Author and contact details:

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Policy context:

Reporting against climate risk disclosures

Financial summary:

Estimated cost £3,000 for the report

The subject matter of this report deals with the following Council Objectives

- People - Supporting our residents to stay safe and well ☒ ■
- Place - A great place to live, work and enjoy ☒ ■
- Resources - Enabling a resident-focused and resilient Council ☒ ■

SUMMARY

Appendix A to this report summarises the Funds current position concerning the 11 climate-related disclosures under the scope of the Taskforce on Climate-related Financial Disclosures (TCFD), for the year ending 31 March 2025.

RECOMMENDATIONS

That the Committee:

Agree the 31 March 2025 TCFD report as attached as **Appendix A.**

REPORT DETAIL

1. The Fund's investment consultant, Hymans Robertson, has outlined in Appendix A the Fund's approach to reporting against the 11 climate-related disclosures under the TCFD framework for the year ending 31 March 2025.

2. BACKGROUND

- a. The TCFD was established in 2015 by the Financial Stability Board to improve climate-related financial reporting. Its final recommendations, published in 2017, introduced a framework based on four pillars: **Governance, Strategy, Risk Management, and Metrics & Targets**, comprising 11 disclosures.
- b. Although the UK Government set an ambition for mandatory climate-related disclosures by 2025, the TCFD recommendations have since been incorporated into the International Sustainability Standards Board (ISSB) standards. Public sector guidance now follows a phased approach, with full compliance expected by 2025–26 on a “comply or explain” basis.
- c. For the Local Government Pension Scheme (LGPS), the Department for Levelling Up, Housing and Communities (DLUHC) consulted in 2022 on mandatory TCFD-aligned reporting. However, implementation was delayed in June 2023, and no regulations have yet been introduced. The Fund therefore continues to report voluntarily.
- d. This is the Fund's fourth TCFD report, summarising its position across the 11 disclosures. Future reports will highlight actions taken to strengthen alignment with best practice and address recommendations arising from ongoing analysis. The 2024/25 report will be published as a standalone document.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Committee believe that climate change is a systemic risk and seek to manage that risk on behalf of their members. The Committee are supportive of initiatives they believe will in the long-term financial interest of the Fund's members. Early adoption of the TCFD is one such initiative, as greater disclosure will lead to engagement and a more structured approach to managing this risk.

Early planning will also help with speedy compliance of TCFD guidance once published by MHCLG. No timelines have been made available as to when the regulations and guidance will be published.

Climate rated risks are incorporated within the Funding Strategy Statement (FSS) and the 2022 Valuation report. These risks will be similar to the TCFD report, and it includes how risks have been considered when setting the FSS and employer contribution rates.

The cost of producing this report will cost £3,000 and will be met from the Pension Fund.

Legal implications and risks:

None arising directly from consideration of the content of the Report.

Human Resources implications and risks:

None arise from this report.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.