

CLIMATE CHANGE AND ENVIRONMENT SCRUTINY COMMITTEE	AGENDA ITEM No. 7
8 NOVEMBER 2023	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director for Corporate Resources and S151 Officer	
Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Legal, Finance and Corporate Service	
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PENSION SCHEME RESPONSIBLE INVESTMENT POLICY UPDATE

RECOMMENDATIONS	
FROM: Cecilie Booth, Executive Director for Corporate Resources and S151 Officer	Deadline date: N/A
<p>It is recommended that Climate Change and Environment Committee:</p> <ol style="list-style-type: none"> 1. Note the report of the progress made with the Pension’s scheme’s Responsible Investment policy, and 2. To agree that the relevant scrutiny committee review the Environmental, Social and Governance (ESG) policy of the Council once the Treasury Management Strategy is refreshed, in 6 months. 	

1. ORIGIN OF REPORT

1.1 At Full Council, after debating a motion by Cllr Nicola Day, on 12 October 2022 it was agreed “To bring a report to the Climate Change and Environment Scrutiny Committee in 12 months’ time to review the Council’s investment strategy and the pension scheme’s progress with its Responsible Investment Policy.”

2. PURPOSE AND REASON FOR REPORT

2.1 The report is being presented to update the Climate Change and Environment Scrutiny Committee on the Council’s investment strategy and the pension scheme’s progress with its Responsible Investment Policy.”

2.2 This report is for the Growth, Environment and Resources Scrutiny Committee to consider under its Terms of Reference Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by Council:

4. Climate Change;
5. Reducing Carbon Emissions and achieving Net Zero Carbon Emissions;

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. **BACKGROUND AND KEY ISSUES**

- 4.1 The Council pledged to “Support Cambridgeshire County Council's Pension Fund “Just Transition” approach which is consistent with the Paris agreement and provides a policy of engagement with businesses who are actively transitioning away from fossil fuels.”

The Cambridgeshire and Northamptonshire Local Government Pension Scheme (the Fund) has provided their key documents and have provided the assurance in Appendix 1.

The Council’s own ESG policy will form part of the refresh of the Treasury Management Strategy. This will be presented to Full Council in February 2024 and will come back for review after that. The Council has spoken to its Treasury Management Advisors about the best way to achieve this and is currently considering options. ESG considerations will be important when selecting investment counterparties: however, Security of public funds, followed by Liquidity and then Yield (SLY) will remain our primary drivers in line with CIPFA Guidance.

5. **CORPORATE PRIORITIES**

- 5.1 This links to the following Council’s Corporate Priorities:

1. The Economy & Inclusive Growth (Environment) due to the climate change, net zero and environment considerations of the policy, and
2. Sustainable Future City Council (How we enable) because investments are required to be secure and sustainable to ensure budgets are stable and balanced and funds are utilised to best effect for the benefit of Peterborough.

Carbon Impact Assessment - The report contains no proposals for changes to service delivery and therefore there is no decision to take which may impact carbon emissions of the council or the city.

6. **CONSULTATION**

- 6.1 No consultation has taken place as this is the pension’s fund’s policy.

7. **ANTICIPATED OUTCOMES OR IMPACT**

- 7.1 The Council wishes to support the pension funds responsible investment policy.

In 6 months, the Committee will be able to review the council’s own ESG policy. This needs to be planned as part of the Treasury Management Strategy refresh in February 2024, before it comes to scrutiny.

8. **REASON FOR THE RECOMMENDATION**

- 8.1 To enable the committee to review the policy.

9. **ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 The Council declared a climate emergency in 2019 and is committed to becoming net zero and so no alternatives have been considered.

10. IMPLICATIONS

Financial Implications

- 10.1 There may be financial impacts of the Council's own ESG policy but these have not been scoped yet.

Legal Implications

- 10.2 There are none.

Equalities Implications

- 10.3 N/A

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 N/A

12. APPENDICES

- 12.1 Appendix 1- Pension Fund ESG Update
Appendix 2- Cambridgeshire Reporting Dashboard
Appendix 3- Climate Action Plan

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