



London Borough of Enfield

Report Title	Climate Scenario Analysis
Report to	Pension, Policy & Investment Committee (PPIC)
Date of Meeting	19 July 2023
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond
Report Author	Ravi Lakhani (Head of Pension Investments). Ravi.Lakhani@enfield.gov.uk
Classification	Part 1 Public and part 2 private Confidential
Reason for exemption	3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Purpose of Report

1. To present a report from the Pension Fund's ("Fund") actuary, Aon, which discusses five potential climate change scenarios and their potential impact on assets and liabilities within the Fund and the follow on impacts on funding levels.

Recommendations

2. The committee are asked to note the contents of the report and consider how the implications of climate change may impact any future changes to investment strategy.

Background

3. A comprehensive report on climate change and the associated impact on the Pension Fund is presented in Appendix 1- Climate Scenario Analysis.
4. Climate change is one of the important issues facing the planet. If Global warming is not stopped there are potential impacts on Water, Food, Health, Eco systems and the danger of more extreme weather events
5. Changes in global temperatures can impact the value of assets and liabilities held within the fund. (This is explored further in the appendix).

6. There is a regulatory requirement from the Government Actuary department (GAD), which has confirmed that there will be an expectation for all administering authorities to quantify the risk of climate change as part of the LGPS valuation process.
7. A review of the Fund's investment strategy is to take place in the second half of 2023. The implications of climate change arising from this report should be incorporated into the Fund's investment strategy.

Relevance to Council Plans and Strategies

8. An economy that works for everyone.
9. Clean and Green place

Financial Implications

10. Climate change will impact on impact on the assets and liabilities within the Fund and the associated funding levels. These need to be considered as part of future funding strategy changes and strategic asset allocations.

Report Author: Ravi Lakhani
Head of Pension Investments
Ravi.Lakhani@enfield.gov.uk
020 8132 1187

Appendices

Appendix 1: Aon – Climate Scenario analysis – **Part 2 exempt – Confidential**