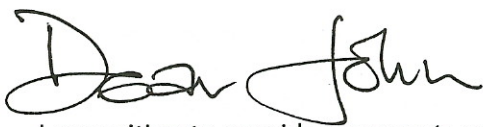


Lord Gardiner
Department for Environment, Food and Rural Affairs
Nobel House, 17 Smith Square
London SW1P 3JR

22nd March 2018



I am writing to provide comments on Defra's proposed strategy for the third round of the Adaptation Reporting Power (ARP). The ASC made a number of recommendations to Defra in our review of the second round of ARP published in March 2017.

We regard the ARP process as having three key benefits:

1. The ARP motivates organisations to consider climate-related risks and the adaptation actions needed to manage those risks. Our review of previous rounds of the ARP indicate that the reports have facilitated high level discussions about adaptation within organisations, though this was more apparent during the first, mandatory, reporting round.
2. The ARP provides government, the ASC and other stakeholders with evidence of the steps being taken by reporting organisations to identify and manage climate risks. This is in the national interest, as reporting organisations have been selected because of their potential responsibility for systemic risks that can extend outside their organisations and have major impacts on society, the environment and the economy.
3. The ARP potentially provides evidence of the scale of climate risks to which the nation is exposed and the cost-effectiveness of adaptation actions, which can help to inform efficient adaptation in future. So far, because the reports have not, in general, been sufficiently quantified or consistent, this third potential benefit has not been fully realised.

The ASC is pleased to see that the third round strategy includes plans to update guidance for reporting organisations and has widened the scope of ARP to include more of the digital sector and financial regulators.

When developing guidance we suggest that Defra consider working with the Task Force on Climate-related Financial Disclosures (TCFD), a voluntary business-led initiative. The TCFD has worked with industry to develop guidance on how organisations should quantify and report on the climate-related risks to which they are exposed, which includes climate impacts and adaptation responses. Whilst voluntary, a number of businesses have publicly stated they will report in line with the TCFD's recommendations.

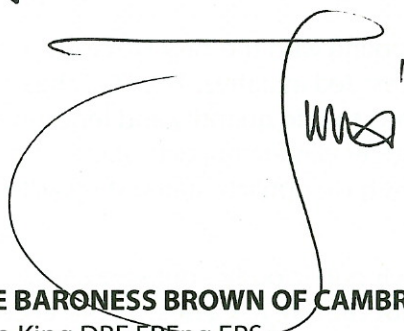
Templates produced by the Scottish Government as part of their public body's duty may also provide a helpful approach. Their template, although it does not capture risk assessments, ensures that information collected is consistent between organisations and for each year of reporting. Providing a consistent template for organisations to fill in can be much less onerous than having to provide a detailed report from scratch.

Putting aside the updated guidance and widening of scope, it is disappointing to see that Defra's proposed strategy misses opportunities to realise the benefits of ARP listed above, and does not take account of some of our recommendations made in March 2017:

1. Making the third round of ARPs voluntary minimises the obligation upon organisations to consider climate-related risks and adaptation actions for which they are responsible, even though it is in the national interest that they should do so. It is possible that the least prepared organisations will not report, even though they serve critical societal and economic functions.
2. Stretching the reporting window to the period 2019-2021 means that it will be hard to develop a consistent national appraisal of the steps that are being taken by reporting organisations to manage climate-related risks.
3. Though we recognise that it has proved to be impossible to synthesise quantified evidence of climate risks and the cost-effectiveness of adaptation responses from previous rounds of reports, we believe that consistent quantified reporting should be retained as a long term aspiration for the ARP process. This would be consistent with the government's commitment to monitor progress towards the 25 Year Environment Plan, as well as the Climate Change Act. Aligning with the reporting framework being developed by the TCFD would represent a significant step towards light-touch consistent quantification.
4. We recognise that local authorities have a number of existing duties and responsibilities which take account of climate adaptation. However, since the National Indicator on climate change adaptation, NI88, was discontinued, there is no requirement to report on a full range of climate risks. At the same time, resources pressures have increased. Including local authorities within ARP would help ensure there is continuing focus on the importance of managing climate change. The importance of reporting not being onerous is particularly relevant here, and as we state above, we do not believe it is necessary to create long, detailed reports; a template approach could work well, especially for local authorities.

We hope that this next round of ARP will lead to increased participation and further consideration of climate risks and actions by organisations. We would be happy to discuss any of these points further and, as previously offered, my Committee are very willing to help you in developing reporting guidance and templates and be involved in discussions with TCFD.

With best wishes



THE BARONESS BROWN OF CAMBRIDGE

Julia King DBE FREng FRS

kingjb@parliament.uk