

Defra

Consultation on the Fourth Round of the Climate Adaptation Reporting Power

Background to CIWEM

CIWEM is the leading independent Chartered professional body for water and environmental professionals, promoting excellence within the sector. Established in 1895 and with over 10,000 members globally, the Institution provides independent commentary on a wide range of issues related to water and environmental management, environmental resilience and sustainable development. CIWEM welcomes the opportunity to respond to Defra on its consultation on the fourth round of the Adaptation Reporting Power.

In drafting this response, we received input from Climate Change specialist panel.

Consultation questions

- 1. Do you agree with the objectives and principles for this round of reporting?
Please give your reasons as necessary.**

CIWEM agrees with the objectives and principles for the fourth round of reporting.

The adaptation reporting power as set out in the Climate Change Act is not delivering the same outcomes in preparing for climate change as the provisions in the Act for decarbonisation. The Adaptation Reporting Power (ARP) submissions do not align with the timetable for preparation of the Climate Change Risk Assessment (CCRA), and therefore the submissions do not inform the CCRA as they should. We agree with the CCC advice to adjust the timetable accordingly, and bring forward the deadline for ARP4 to winter 2024.

Considering that organisations last reported at the end of 2021, so will only have one year instead of the usual three years to prepare their reports, we support a lighter touch reporting requirement for the fourth round focusing on actions since the last report.

- 2. Are there any additional objectives or principles you would want to see included?**
- 3. Would providing an update on changes since round three of reporting enable your organisation to deliver a report within a shorter time period?**

N/A

- 4. Do you have any further proposals that would help streamline and minimise the reporting burden on your organisation or sector?**

N/A

- 5. Should ARP reporting remain voluntary or be made mandatory in round four? Please give your reasons as necessary.**

ARP submissions should be made mandatory for reporting organisations. There are significant gaps in organisations who under the voluntary approach are not filing reports. Mandatory reporting would address significant coverage gaps and drive action on adaptation.

The CCC reported that in the third round, 20% of invited organisations did not submit a report, and half of those organisations which did not report had done so in the previous rounds, indicating that engagement with the process has decreased.

Mandatory reporting would demonstrate the UK's global leadership on adaptation, as well as ensuring systemic climate change risk management. A better understanding of the risks faced would also enable better solutions. The CCC's latest report on the England's progress in adapting to climate change concluded that there is a striking lack of preparation for the impacts of climate change from Government, and mandatory reporting would drive action.

6. Should the position be reviewed again ahead of round five?

No, ARP should remain mandatory for the fifth round to maintain high levels of engagement and reporting.

7. What impacts, positive or negative, could mandatory reporting have in your organisation?

N/A

8. What else can government do to encourage additional coverage in sectors where gaps have been identified? How should we determine proportionality in these sectors?

9. Is your organisation subject to existing or planned UK Sustainability Disclosure Requirements or any other relevant reporting regimes? How far do these go in fulfilling the objectives of ARP in your organisation?

N/A

10. Are there any gaps which remain between the information provided under other reporting requirements and that of ARP? If yes, please provide details.

11. Could your TCFD-aligned disclosures effectively replace ARP in round four or beyond? Please give any supporting reasons.

TCFD-aligned disclosures, whilst they are well-aligned with ARP, could not effectively replace ARP in round four or beyond. Members of CIWEM's Climate Change specialist panel reported that ARP is where all of their adaptation reporting is synthesised and provides value in addition to TCFD reporting requirements. Organisations required to report under TCFD could be asked to submit their TCFD report alongside the minimum ARP requirement to reduce the reporting burden and avoid duplication.

12. Do you support a case-by-case approach to sectoral reporting, balancing the need for proportionality with the need for specific insights into the management of climate risks? Please give any supporting reasons.

A sectoral approach would reduce the burden on individual organisations, and support the identification and consideration of interdependencies more easily. However, an organisational scale is still important to harness the amount of detail required by Defra and the CCC for assessing action on adaptation.

13. Who should be asked to report in the energy generation, telecommunications and digital sectors?

14. How can reporting by regulators best reflect their important oversight role?

Regulators can play an important role in educating and communicating the importance of reporting to their sector, and sharing best practice. They can also identify sector level risks and facilitate collaboration between organisations within their sector, as well as identifying and assessing interdependencies between sectors.

It might be appropriate for regulators to be invited to submit a different format of report to those organisations operating physical infrastructure, enabling them to report on how they are driving and monitoring action on adaptation in their sector.

15. Which regulators should be invited to report in round four?

We suggest that Defra should again invite Ofcom, Ofgem and the FRC to report in round four. They were invited to report in ARP3 but did not, and they represent significant infrastructure and services in the UK.

16. Would your organisation be able to report on interdependent and cascading risks? Please give any supporting reasons.

N/A

17. Would a requirement to report on the detail of interdependent risks help to drive progress in assessing and managing these? Please give any supporting reasons.

Yes, requiring organisations to report on interdependent risks would help to drive progress in assessing and managing these risks. It would also allow for a systems approach to risk and more collaborative approaches. However, we would advise that guidance and co-ordination from Defra is necessary to achieve this.

18. How can government encourage cross-sector working and collaboration on interdependencies as part of the adaptation reporting process?

Requiring reporting organisations/regulators/sector bodies to collaborate on identification of interdependencies and the appropriate adaptation responses at a system scale, for

example by using the Climate Resilience Demonstrator (CReDo), which looks specifically at the impact of flooding on energy, water and telecoms networks but could be replicated across other sectors. Producing guidance or a template for considering interdependencies would also encourage cross-sector working and improve reporting. Regulators also have an important role to play in co-ordinating assessment of interdependencies across sectors.

19. Would reporting templates be helpful for your organisation? Please give any supporting reasons.

Whilst CIWEM is not a reporting organisation, reporting templates and minimum requirements would be very helpful to enable better analysis of the reports. Templates would also ensure consistent information, allow comparisons and gap analysis to be made.

20. Do you agree that following the template should be voluntary? Please give any supporting reasons.

No, following the template should be mandatory for reporting organisations. Setting standardised minimum reporting requirements would ensure a minimum level of quality and consistent reporting, enable comparison across organisations, and enable identification of where gaps lie and where priorities should be focused.

21. What supporting guidance would be useful to minimise reporting burdens and ensure that reports are generating useful insights?

Guidance on minimum requirements would ensure that reports generate useful insights, as well as a list of climate risks and a generic risk assessment.

22. Should government pursue a standardised approach to risk assessment, including by mandating the use of specific climate scenarios? How would this affect your ability to respond, and to assess risk according to your organisation's specific circumstances?

CIWEM supports a flexible approach to risk assessments to reduce the reporting burden on organisations who have a different organisational approach. However, we believe that a standardised approach would enable better analysis between reports and support the assessment of interdependencies, and this outweighs the loss of flexibility for organisations who have different organisation approaches to risk.

23. Do you agree that organisations that reported in the third round should not be required to submit full risk assessments in round four, and that reports should instead focus on updates to actions taken in response to risks? Please give any supporting reasons.

Yes, CIWEM agrees with this approach. The benefits of a shorter timeframe for the 4th round of ARP is that there is less focus on risk review as its unlikely that risks will have changed significantly in a shorter timeframe, and an opportunity to focus on risk actions and focusing on the effectiveness of adaptation plans.

24. Have we selected the right areas to prioritise for targeted scope expansion in the fourth round of reporting?

Yes, CIWEM supports the inclusion of health, canals and reservoirs, landowners and agriculture for targeted scope expansion.

25. How would a reporting pilot be received in your sector?

N/A

26. Which organisations should be invited to report and how should we determine proportionality in these sectors?

27. Would your organisation be willing to take part in a pilot in round 4 of the ARP?

N/A

28. Do you agree that Local Authority reporting should be piloted with a small group of authorities in round four of ARP, to test the costs and benefits? What form should this take? Would your organisation be willing to take part?

CIWEM agrees that Local Authority reporting should be included, and be piloted with a small group of authorities in ARP4. This would add additional burden onto Local Authorities but considering their responsibilities on transport, planning and flood risk, their role in adaptation cannot be underestimated.

29. What advice, guidance and incentives do Local Authorities need to help develop their climate risk management practices?

Defra should provide a high level of support to Local Authorities through guidance, templates, example risk assessments and workshops, due to the cost implications and extra reporting burden. The Local Government Association can play a role in supporting, facilitating and co-ordinating reports.

30. Do you agree with the ARP approach to reporting by organisations with activities in the territorial extent of one or more of the devolved administrations? Please elaborate.

31. What is the estimated total cost (time and resource) of reporting for your organisation?

N/A

32. If you have reported in the past, in what ways has the exercise been useful to your organisation?

N/A

33. What additional questions would you pose for future reviews of climate adaptation reporting?