

PENSION FUND COMMITTEE – 9 JUNE 2023

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

1. The Committee is **RECOMMENDED** to:
 - i) Note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.
 - ii) Endorse the request from the Fire Service for additional resource to support with work of the remedy workload and the 'second options' exercise for all on call fire fighters

Introduction

2. Previously, the Committee has agreed that the risk register should form a standard item for each quarterly meeting. A copy of the report also goes to each meeting of the Pension Board for their review. Any comments from the Pension Board are included in their report to this meeting.
3. The risk register sets out the current risk scores in terms of impact and likelihood, and a target level of risk and a mitigation action plan to address those risks that are currently not at their target score. This report sets out any progress on the mitigation actions agreed for those risks not yet at target and identifies any changes to the risks which have arisen since the register was last reviewed.
4. A number of the mitigation plans are directly linked to the key service priorities identified in the Annual Business Plan. This report should therefore be considered in conjunction with the business plan report elsewhere on this agenda.

Comments from the Pension Board

5. At their meeting on 5 May 2023, the Pension Board considered the latest risk register and there were no comments to feedback.

New Emerging Risk

6. A new emerging risk is Risk 24 - Lack of administrative resources and knowledge to administer the Fire Fighters Pension Schemes, specifically with additional remedy workload and second options exercise for on call fire fighters.

There is also a key person risk within the current administration arrangements for the Fire Fighters Pension Schemes.

7. The risk is both to the Fire Service in respect of the effective management of their workforce, and to Pension Services who provide the administration services under a service level agreement with the Fire Service. Without mitigation, the potential impact of this risk has led to it being rated a Red.
8. Following discussions with the Fire Service, it is proposed to mitigate this risk through the recruitment of an additional administrator who would initially work within the Fire Service to collate the information requirements associated with remedy and the second options exercise, and then work alongside the Pension Services Team to support the completion of this work. The new post would be funded by the Fire Service.

Increasing Risk

9. 'Risk 19 – Failure of Pooled Vehicles to meet local objectives' has increased from a Green to an Amber. There have been recent difficulties in recruitment and retention within Brunel compounded by delays in the partner funds agreeing changes to the Remuneration Policy. Whilst there is now agreement on the Remuneration Policy there will be further delaying in recruiting to the vacant positions and reviewing the business model to ensure future resilience.

Reducing Risk

10. Risk 15 is in relation to Fund officers having sufficient skills and knowledge to carry out their roles effectively has been reduced in risk rating. Progress has been made in relation to this risk through the recruitment of the new RI Officer and the regrading of the Governance & Communications Officer/Manager posts. The industry-wide issue of recruitment and retention still continues to be a problem and as such will require Funds to produce a Workforce Strategy as part of the 'Good Governance' Project, sometime during 2023. However, due to the progress the risk has reduced from a Red to an Amber.
11. Risk 17 in respect of data breaches has been reduced from an Amber to Green following the completion of the cyber security review, and the review of the Breaches Policy to ensure it including data breaches as well as breaches of the pension scheme regulations.

Same Risk

12. Two of the remaining five Amber risks relate to the skills and knowledge of the Pension Fund Committee and the Local Pension Board. The new Training Plan 23/24 was agreed at the last Committee meeting. A new version of Hyman's Online Academy has gone live and circulated to all Committee and Board Members. Additionally, a training event has been organised for the 27th June to cover the two areas highlighted from last year's National Knowledge Assessment results.

13. The final Amber risks relates to the resources and data requirements associated with implementation of the McCloud remedy. This remains Amber until we receive the final regulations from the Government and can complete the assessment of the data and resources necessary to complete the work required.

Lorna Baxter
Director of Finance

Contact Officer: Mukhtar Master
Tel: 07732 826419

June 2023