

PENSION FUND COMMITTEE – 10 JUNE 2022

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to 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.**

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 22 April 2022, the Pension Board considered the latest risk register and considered that no further amendments were required at this time.

Latest Position on Existing Risks/New Risks

6. There remain four Amber risks on the current risk register. Three of the Amber risks relate to the skills and knowledge of the key groups involved in the administration of the Pension Fund, namely the members of the Committee, members of the Local Pension Board and the Pension Fund Officers.
7. In respect of the Pension Fund Committee, there is a report elsewhere on the agenda which seeks to re-affirm the previously agreed proposal to recommend

Council to amend the Constitution to require a minimum level of training to be undertaken by all members of the Committee and any potential substitutes. If adopted, this change would be supported by the annual knowledge and skills assessment using the Hymans Robertson framework, with any issues of non-engagement with the training programme and low assessment scores referred to the appropriate appointing person/body. Over time this should drive up the skills and knowledge of the Committee and bring the risk score to target.

8. The mitigation for the risks of insufficient skills and knowledge on the Local Pension Board is similar, although the requirement for all Board Members to have the appropriate skills and knowledge is set out in the legislation which established the Board.
9. As noted in the March report, the risk of insufficient skills and knowledge amongst the Pension Fund Officers was raised due to the increased demands on Officers from statutory changes to the scheme, and as reflected in the Funds Annual Business Plan for 2022/23. Whilst the Committee has agreed budget provision for additional resources, including the use of staff from 3rd party agencies, as set out in the administration report elsewhere on the agenda, it remains challenging to recruit to all positions.
10. The final amber risk relates to the implementation of the McCloud remedy and whether the Fund will have sufficient resources to undertake the necessary work, and whether all employers will be able to provide the necessary data where not already held by the Fund. Until we receive the amendments to the LGPS Regulations and any appropriate guidance to deliver the remedy it is difficult to assess the full extent of this risk or put in place a full mitigation plan
11. The risk score for the related risk regarding the implementation of the remedying legislation for the fire-fighters pension schemes was moved to green last quarter following the decision to implement the Immediate Detriment Framework as far as we are able. It should be noted that subsequent to that decision a further communication was received from the National Fire Chiefs Council which stated they could not support the implementation of the Immediate Detriment Framework given the legal risks associated with doing so, whilst acknowledging there were also legal risks of not doing so, and it was for each Fire Authority to make their own decision. The letter was discussed with the Chairman and Vice-Chairman of the Committee and it was noted that no new risks had been identified in the correspondence and that based on the balance of risk, the previous decision to implement the Framework remained appropriate for Oxfordshire.
12. The level of risk associated with this decision is difficult to assess until we have the final remedying legislation and is currently not fully reflected in the Risk Register. It should be noted though that a number of Fire Authorities are in a similar position to Oxfordshire, and any failure by the Government to address the issues caused by their delays in bringing forward the remedying legislation is likely to be subject to further challenge.

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